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# USSR Report

POLITICAL AND SOCIOLOGICAL AFFAIRS

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28 November 1984

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## INTERNATIONAL

REAGAN SAID TO HAVE 'MANDATE' TO IMPROVE RELATIONS WITH USSR

Moscow APN DAILY REVIEW in English 10 Nov 84 pp 1-3

[Article by Vladimir Katin, APN political analyst, under the rubric "APN Informs and Comments": "The USSR Stands for Better Soviet-American Relations"]

[Text] The election of Ronald Reagan as U.S. President for the second term puts to the fore the problem of the prospects for Soviet-American relations and the improvement of the international situation at large. Shortly before the presidential elections in the United States Soviet leader Konstantin Chernenko stated: "We stand for good relations with the USA, and experience shows that they can be such."

This statement sets forth Moscow's principled programme. Yes, the Soviet Union will continue to strive for the rectification of its relations with the United States. Yes, Moscow thinks that a turn for the better in Soviet-American relations is possible. Washington should understand that a mutual wish to build inter-state relations on an equal footing is necessary for this, and not the chimerical desire to gain a military superiority over the Soviet Union.

The American electors who voted for Reagan gave him a mandate for conducting a foreign policy, for dealing with the Soviet Union. The sentiments of the American people, the statements by political figures, businessmen, scientists and clergymen in the course of the election campaign convincingly show that the overwhelming majority of American voters are against the continuation of the dangerous militarist course of their administration, against the preservation of tensions in Soviet-American relations. Most of Americans voted, proceeding from the statements in favour of peace, from the promises to start negotiations with the Soviet Union on arms control accords, primarily, nuclear arms control agreements. Such statements and promises were made by Ronald Reagan at the concluding stage of the election campaign.

It is important now that the President and his closest colleagues should satisfy the main demand of Americans and all people on the Earth--to work for the removal of the threat of a nuclear catastrophe, for arms control.

Moscow believes that it is high time to pass over from words to deeds. Words about preparedness for talks, if they are not buttressed by actions, remain only words.

Speaking in the Kremlin on November 7, Soviet leader Konstantin Chernenko noted that the international situation sparks off justifiable alarm and that world tensions are not abated. He said: "Today it is not easy to eliminate this alarm and to relax these tensions. Verbal expressions of peaceful intentions are not enough. Real actions are needed." I think that this appeal is addressed, in the first place, to the United States. The attainment of agreements on a wide range of problems--from the limitation and reduction of armaments to the prevention of the militarization of outer space--would mean real change which could improve the international atmosphere on the whole and remove people's concern over this tense situation.

The telegram of greetings sent by the Presidium of the USSR Supreme Soviet to Ronald Reagan in connection with his reelection says: "It is to be hoped that the years to come will see a turn for the better in relations between our countries. This would be in the interests of our peoples and in the interests of the cause of peace throughout the world." For its part the Soviet union is ready to work jointly for the rectification of Soviet-American relations on the basis of equality and respect for the legitimate interests of both countries, for the removal of the threat of war and for the radical improvement of the world situation.

The Soviet people are convinced that there are no reasonable alternative to the constructive development of Soviet-American relations. We do take into account that the USSR and the USA have different social systems. In our nuclear age these differences do not rule out efforts for achieving mutual understanding. Moreover, they call for this. Such is Moscow's approach to Soviet-American relations.

(APN, November 9. In full.)

CSO: 1812/41

## INTERNATIONAL

### GRENADIAN REVOLUTION, INTERNAL POLITICS, U.S. ROLE DISCUSSED

Moscow NOVAYA I NOVEYSHAYA ISTORIYA in Russian No 5, Sep-Oct 84 pp 124-148

[Article by E.L. Nitoburg and Ye.L. Rovinskaya: "Grenada: The Fate of a Big Revolution in a Small Country"]

[Excerpts] On 25 October 1983 the teletype machines in all countries transmitted an urgent report: today at dawn an armed U.S. intervention was initiated against revolutionary-democratic Grenada, a small island state in the Caribbean. At 0530 hours local time airborne troops from special units--the "Rangers"--landed from U.S. helicopters in the region of the international airport, presently under construction. Fierce exchanges of fire are taking place between the airborne troops and soldiers of the Grenadian People's Revolutionary Army and People's Militia. U.S. warships have started an artillery bombardment of Grenadian territory. Heavy transport aircraft have started to land units of the marines.

In a few days it was all over. Some 7,500 U.S. soldiers occupied Grenada. Everywhere the hunt was on for supporters of popular power. President Reagan announced a "victory" by the largest imperialist power over one of the world's smallest states. Thus was given a practical demonstration of the U.S. administration's foreign policy course, which the world press characterized as terrorism elevated to the status of state policy. Thus the freedom of a people who had made "a big revolution in a small country," as Fidel Castro called the Grenadian revolution, was trampled under the boots of U.S. soldiers.

The United States' armed aggression against Grenada evoked anger and indignation throughout the world. While the trail of events was still hot a collection was published in the USSR in which the testimony of eyewitnesses to the intervention and responses in the world press were gathered together [1] and a number of articles were published unmasking the mechanics of the armed aggression. [2] However, the Soviet literature still contains no studies on Grenada itself. The phenomenon of the Grenadian revolution, the second people's revolution in the Western hemisphere, following the victory on Cuba in 1959, and the first revolution in the former British possessions in the Caribbean, which proclaimed a socialist orientation for the country, has still be inadequately studied. The history of the victory, development and defeat of the Grenadian revolution of 1979-1983 is now becoming the subject of intent examination and scientific study by both Soviet and foreign researchers. The authors of this review have set themselves the task of giving the reader a concise but as far as possible complete idea of the sources and fate of the Grenadian revolution, based on documentary materials.

## The Road to the Revolution.

The struggle against the dictatorship was led by the New Jewel Movement, which united the best representatives of the working class and the radical intelligentsia.

In the early Seventies substantial changes took place in Grenada's social structure. The numerical strength of the working class had risen by a factor of 1.5 compared with 1946. The process of class polarization was accelerating. On the one hand, wealth was being increasingly concentrated in the hands of the few: a total of only 50 planters owned almost half of the land being farmed, and these landowners had also started to invest capital in trade, tourism and industry, creating a planter-comprador-type oligarchy that had consolidated its influence in the country's economic and political life. On the other hand, the impoverishment of the workers was increasing: two-thirds of Grenada's adult population were fully or partially unemployed, and unemployment was particularly severe among youth. In the working class, student youth and the progressive intelligentsia resentment was growing against the corruption, arbitrary rule and poverty, and this spilled over into demonstrations, strikes and clashes with the police.

In March 1972 several youth clubs banded together under the leadership of a teacher at the Catholic college, the economist U. Whiteman, in an organization known as the Joint Endeavor for Welfare, Education and Liberation (JEWEL). [18] In October of the same year a group of the radical intelligentsia created the Movement of National Assemblies, headed by the young lawyers M. Bishop and K. Radix, who had received their education in England. On 11 March 1973, following several months of joint activity, the two organizations merged to become the New Jewel Movement (NJM). It set as its goal gaining power in order "to accomplish a change in the political, economic, social and cultural spheres of life." [19]

The NJM Buro included Maurice Bishop, Unison Whiteman, Kendrick Radix, Vincent Noel, Bernard Coard, Selwin Strachan and Hudson Austin, and later, George Louison. Remember these names: they were all to become the main dramatis personae in the victories and defeats of the Grenadian revolution.

M. Bishop soon stood out among the leaders of the NJM party. Maurice Rupert Bishop was born on 29 May 1944. His father Rupert, a worker and later the owner of a small store, and his mother, (Elmenta), made every kind of sacrifice to give their two daughters and especially their son, the youngest in the family, an education. Maurice was a brilliant student, graduating from college with a gold medal and receiving the sole student grant throughout the entire colony awarded once every 2 years by the mother country to graduates of the college so that they could continue their studies in England. [20]

In the autumn of 1963 Bishop enrolled at London University, and after his graduation took a course at Cambridge. He majored in jurisprudence because even in his younger years he had firmly decided that he would not remain in Europe but would necessarily return to his motherland, where he would defend the rights of the poor. Bishop spent more than 6 years in England. He took part in the progressive student movement, studied the socialist literature and perused the works of the outstanding figures of the national liberation



movement--Kwame Nkrumah, founder and first president of independent Ghana, Frantz Fanon, born on the neighboring island of Martinique, ideologue of the armed anticolonial struggle, and Martin Luther King, leader of the U.S. Negroes' civil rights struggle.

Firm links were established between Bishop and immigrants from the West Indies, who in "democratic" England were subjected to oppression and insults because of the dark color of their skin. Maurice became president of the Society of West Indian Students and one of the leaders of the London-based Movement Against Racial Discrimination. Throughout all these years Bishop conducted an extensive correspondence with young Grenadian students in Canada and the United States: a lively exchange of opinions was taking place about the roads for the liberation movement on Grenada, socialism and its role in the development of liberated countries, the Cuban revolution and the gaining of independence by the countries of Africa. By the end of his sojourn in England Bishop had firmed up his ideas on the need to create on Grenada a political organization capable of fighting for the independence of the country and social progress.

Early in 1970 Bishop returned to his motherland and became actively involved in the political struggle. The tall, handsome mulatto could be seen both at the mass meetings and the theoretical seminars of the Forum group, which had drawn up plans to publish a progressive weekly and was defending the interests of the indigent in the courts. When the NJM party was organized in March 1973, Bishop was elected to its bureau.

The revolutionary movement on Grenada gathered strength under the conditions of the profound changes taking place in the world, which had become possible as the result of further alteration in the balance of power in the world arena in favor of socialism and the growing role of world socialism, the international communist and workers' movement, and the other revolutionary forces of our age. Imperialism's colonial system had virtually ceased to exist. A number of former colonies and semicolonies had set out on the road of profound social transformations. All these processes played an important role in the development of the liberation movement by the people of a small Caribbean island. Emphasizing the inseparable link between the Grenadian revolution and the general development of the liberation movement, M. Bishop has written: "If the triumphant October Revolution of 1917 in Russia had not taken place, if the Cuban revolution had not succeeded in 1959, and if the revolution had not succeeded on Cuba [as published], then the victory of the revolution on Grenada in March 1979 would not have become a reality." [21]

In the struggle against the dictatorship of Gairy, for the NJM party the heroic struggle of the Cuban revolutionaries against the tyranny of Batista served as an example. In an interview with the English communist newspaper MORNING STAR, Bishop stated that "the Moncada inspired the young generation of Grenada," stressing in particular the significance of Fidel Castro's speech "History Will Absolve Me." [22] In this speech, delivered during the trial of those who had participated in the storming of the Moncada barracks, the program of the Cuban 26 July Movement was formed, which coincided with the aims of the NJM.

The members of the NJM were studying the experience of the Cuban revolution when the first socialist country in the western hemisphere had already celebrated

the 14th anniversary of the revolution and had become an example for the peoples of all the Latin American countries. Socialism, which for most of them was an abstract ideal, had demonstrated its advantages over capitalism on a Caribbean island that shortly before had been under the heel of a proimperialist dictatorship. The significance of this example for the Grenadian revolutionaries was great. Inspired by the ideals of socialism, the NJM leaders set the task not only of doing away with Gairy's repressive regime but also leading the country in the future along the path of socialist orientation.

In the party program document--the manifesto "For Popular Power and True Independence"--adopted soon after the formation of the NJM and published on 7 October 1973, the main aim of the party was proclaimed as "the building of a new life and a new society." [23] The party stated that "the new JEWEL Movement has always fought for real independence, true independence, an independence that matches the exact meaning of this word... Our manifesto contains a program of measures that we intend to implement so that the people can gain real independence under a new leadership. For we believe that independence should mean the following: improvements in the people's living conditions, improvements in clothing, food, medical services and education, more jobs... In short, a higher standard of living for the workers and their children." [24]

In June 1974 the party adopted a second program document--the "Declaration of Principles"--containing 10 points, as follows: "1. Active participation by the people, a people's policy, a people's democracy. 2. Cooperatives in the interests of the people and the development of collectivism. 3. A universal health care system. 4. Full development of people's talents, abilities and culture. 5. Unrestricted popular control over the national resources. 6. Work for all. 7. A decent living standard for every family. 8. Free speech and freedom of religion. 9. The liberation of black oppressed peoples throughout the world. 10. A single people, a new society, a just society." [25] The principles and goals put forward by the NJM party became the program of the Grenadian popular antiimperialist revolution.

Less than a year elapsed between the two documents--the manifesto and the declaration of principles. But it was a year of great events in the life of the country. The NJM's first attempt to take power out of the hands of Gairy as it headed the popular movement in late 1973 and early 1974 ended in failure. The party leadership drew its conclusions from the defeat of 1974, moving to the forefront the "method of mobilizing the masses" as Bishop called it. [26] The NJM started to publish its own underground newspaper. Taking into account the repression by the authorities, it was decided to publish it under a different name each week: RESISTANCE, STRUGGLE, LIBERATION. The party worked among the trade unions. NJM Central Committee member Vincent Noel was chosen as leader of the new influential Union of Bank and Institutional Employees, set up despite opposition from Gairy and his trade union gangsters.

Before the parliamentary elections in December 1976 the NJM concluded a political pact with the opposition parties--the National Party and the United Party. The coalition won 48.5 percent of the electors' votes and 6 of the 15 deputies' seats (three for the NJM). Bishop became leader of the opposition. Having gained a parliamentary voice, the NJM spoke out openly against the policy being



pursued by Gairy, unmasking the corruption in government and its arbitrary rule and the betrayal of the national interests in favor of foreign companies. The party also carried out extensive explanatory work among the population, held mass meetings and assemblies, and mobilized the workers, peasants, students, intelligentsia and petty bourgeoisie to participate in strikes and demonstrations.

At the same time the party leadership also considered that underground activity was needed: illegal political groups were set up in the trade unions, and up in the mountains military training was organized for insurgent groups that were to become the nucleus of the future People's Revolutionary Army. The combination of parliamentary, legal, semilegal and underground work created conditions for the development of the revolutionary forces.

The book "Grenada: the Road to the Revolution" by two figures active in the NJM, the brothers Richard and Ian Jacobs, was the first attempt at Marxist analysis of the problems of the Grenadian revolution [27], and at the same time an important source on the history of the creation of the NJM and the preparations for the 13 March uprising. Its authors devote a special chapter to a study of the objective and subjective factors in the revolutionary process within the country. Taking into account the then relatively low level of political maturity in the working class, most of whom still made up a rural farming proletariat, the NJM attached great significance to the position of the middle strata, and also to the special role of the progressive national intelligentsia under the conditions of a neocolonial regime; the leadership of the revolutionary movement was shaped from the ranks of the intelligentsia. Under these conditions one key problem of party strategy and tactics was the creation of a coalition of the workers, peasants, urban petty and middle bourgeoisie and radical intelligentsia, in short, all patriotic forces, for the struggle against the planter and comprador bourgeoisie and all proimperialist elements. [28] The struggle to overthrow the dictatorship became the basis of this coalition.

Gairy's policy brought increasingly broad masses of the population into opposition to it. Legal methods of struggle--statements in parliament, press criticism, appealing to the courts--brought no results whatever: the courts, state institutions and parliament were under the regime's tight control. In 1978 the arbitrary rule and force engaged in by Gairy's stooges led to the emergence of an opposition within the United Labor Party and within the police. Many representatives of the bourgeoisie and the leadership of the church turned away from Gairy. "The extreme poverty of the masses, neglect of the interests of society, degradation and the cruel rule of a dictator all promoted the ripening of the subjective and objective conditions that led to the overthrow of the dictatorship on 13 March 1979." [29]

#### A "Victorious Moncada."

In preparing for the uprising the leadership of the NJM carefully studied the experience gained in the storming of the Moncada barracks by Cuban revolutionaries, the partisan operations of the Sandinista National Liberation Front in Nicaragua, and the unsuccessful landings by revolutionary detachments on Haiti. The concrete examples of the liberation movement in Latin America indicated the following: terrorist dictatorships can be overthrown only through armed struggle supported by the entire people. In training the insurgent groups, which were to be given

the task of destroying the "mongoose" gangs [strong-arm bands organized by the government to suppress opposition--ed] and isolating the army and police, and in recruiting the popular masses to its side, the party, as I. and R. Jacobs emphasize, was relying on V.I. Lenin's teaching on insurgency as an art [30], and it took into account the importance of Lenin's instructions on the need to determine correctly "the moment for the start of the uprising," that day when "it is impossible to wait," when "delay in the uprising and death amount to the same thing." [31]

That moment was 12 March 1979. On that day Gairy flew to the United States, accompanied by a number of ministers. The day before he had held a meeting with the top officials of the army and police and issued a secret order to start an operation on the following day to arrest and "liquidate in an exchange of fire" the leaders of the NJM, reckoning to decapitate the antidictator movement and thus make an end of it. Through its people in the police the party leadership obtained the information about this at 1100 hours, 1 hour before the departure of Gairy's aircraft. A meeting of the NJM Buro was immediately held in one of the underground apartments. Weighing all the circumstances, the buro members (the meeting was attended by M. Bishop, U. Whiteman, B. Coard, G. Louison and H. Austin) decided to start the uprising the same night. [32]

At 0200 hours 47 young insurgents, gathered together by the "chain" method in a house in the Grand Anse area in the suburbs of St. George's, where the NJM leadership had also gathered, were issued with weapons and bottles containing a combustible mixture, and three vehicles set out for the capital. [33] So that they could recognize each other in the darkness of the tropical night they wore white arm bands with a red disk. At 0400 hours on the morning of 13 March the fighters of the first insurgent detachment attacked the armory, "took out" the guard and, without encountering any resistance, broke open the doors and started to take the rifles. At the same time the second detachment stormed the army barracks in the southwest suburb of St. George's known as True Blue, where there were about 300 soldiers. The barracks were set fire the bottles containing the combustible mixtures and with other homemade bombs. Taking advantage of the ensuing panic, the insurgents seized weapons and ammunition and took some of the soldiers prisoner while the rest fled.

At 0500 hours the insurgents occupied the only radio station on the island, Radio Grenada. Already after the first hour it had transmitted the first appeal to the population, calling on it to unite with the armed detachments and support the revolution that had now been initiated. Later a number of police stations were seized and the commander and members of the "mongoose" gangs were arrested, some in their homes and some during their attempts to flee.

At 1030 hours, glued to their radio receivers, the people of Grenada heard the following: "This is Radio Free Grenada. We now broadcast an appeal to the nation."

"Brothers and sisters," the low, soft voice said, "this is Maurice Bishop. Today at 0415 hours the People's Revolutionary Army seized control of the military barracks in True Blue. The barracks have been burned to the ground.

After 30 minutes of fighting the Gairy army was completely routed and it surrendered... No member of the revolutionary forces was injured.

"At the same time, without a shot being fired, the radio station was seized. Detachments of the revolutionary army arrested cabinet ministers in their beds. The top police officials, including the chief of police Adonis Francis, have been put under guard. At this moment several police stations have already raised the white flag. Revolutionary forces are moving in locally to suppress possible sources of resistance or disobedience toward the new government.

"I appeal to working people, to youth, to the workers, to the peasants, to the fishermen, to the middle strata, to women to unite with our revolutionary armed forces in the vicinity of your places of residence and to give them help in everything they need."

Bishop went on: "People of Grenada! Our revolution has been made so that people can have work, can be properly fed, can obtain decent human housing and medical services, so that our children and grandchildren will have a bright future. The fruits of the revolution will be available to all, to each person, regardless of his political convictions or political party. Let us unite as one!... I call upon the population throughout the entire country to gather on the main squares in the cities and villages to greet the people's armed forces when they come into your areas, and to give them all necessary assistance. The revolution is being consolidated and will strengthen its positions over the next few hours." [34]

Meanwhile, the insurgent forces were consolidating their success. Their combat detachments were reinforced with hundreds of volunteers--workers and student youth. They quickly took possession of the prime minister's residence, which had been defended by the "mongoose" people, and the telegraph office and other strategic objectives. The telephone operators interrupted communications with the outside world, and ran 10 new lines from the headquarters of the uprising as a matter of priority. All who had joined the insurgents wore the white arm band with the red disk, which had become the emblem of the revolution. [35] By 1000 hours most of the police stations had surrendered, and by 1600 hours a white flag was raised on the flagstaff of Fort George, the last point where armed police were holding out.

The news of the victorious uprising flew around the island. The population went out into the streets, demonstrating support for the new authorities. It was at that time that the definition of the Grenadian revolution often encountered in the literature was born--the "revolution of smiles." The rotten regime had fallen, and the victorious people's antiimperialist revolution transferred power into the hands of a 14-man Revolutionary Council. Then a National Revolutionary Government was formed, led by prime minister Maurice Bishop, chairman of the NJM Party Central Committee Politburo.

The leader of the Cuban revolution, Fidel Castro, has called the events of 13 March on Grenada a "victorious Moncada." Antiimperialist, national-democratic forces had come to power. A new page was opened in the history of Grenada.



## A Year of Liberation.

The people's revolution on Grenada was not immediately perceived in the world as an event not only of local, Caribbean significance but one having broader significance. The bourgeois press presented the 13 March uprising as one of the "regular" armed coups that are so frequent in the Latin American countries. The development of the revolution, however, soon refuted these ideas. The leaders of the revolution did not belong to the regular military. The NJM party had not reckoned on introducing a military situation with curfews and so forth. The main thing was that as a result of the uprising "it was not simply a change in the makeup of the ruling elite with retention of the old political system: the earlier government apparatus was completely destroyed and in its place was created a fundamentally new political order." [36]

The old machinery of state was smashed. The army, the police, the parliament and the parties were all disbanded, and political prisoners were released from jail. On 16 March the governor general, representing the British crown in the country (Paul Scoon had been appointed governor of Grenada in 1978, and the revolution did not deprive him of his post), the government services and the chamber of commerce gave assurances of their loyalty to the People's Revolutionary Government.

On 25 March the first revolutionary laws were proclaimed. They abolished the repressive legislation adopted during Gairy's time, in particular the "Act on Basic Services," which deprived workers of the right to strike, and the "Press Law," according to which it had been necessary to put up \$20,000 for the right to publish a newspaper. The ban on the import and distribution of progressive publications "of a socialist and communist orientation" was also lifted. [37]

The revolution, however, did not simply make an end to the regime of violence and repression. Creative work was started to build a new society. Implementing the program put forward by the NJM in the 1973 manifesto and the 1974 declaration of principles, the government that had come to power set the task of freeing Grenada from the vice of backwardness and of insuring the development of society in the interests of the broad popular masses. The experience of colonial countries that had gained their independence in the previous decades showed that this could only be achieved if dependence on imperialism were liquidated and radical socioeconomic transformations made.

"We face two main and interconnected tasks," Bishop announced. "The first is to consolidate the revolution and insure the country's security in the struggle against internal and external counterrevolution. The second is national reconstruction--the creation of a modern economy and an infrastructure for the social services, and guaranteeing real material blessings for the country's population." [39] This course was implemented from the first days of the revolution. The year of 1979 has gone down in the history of Grenada as the "year of liberation"--liberation from a repressive regime, from the imperialist diktat, from a policy of social inequality and oppression.

One valuable source is available to the historian, characterizing the first years of the revolution. This is the "Selected Speeches" of the leader of

the revolution Maurice Bishop, published in Havana in English. The book covers 3 years from early 1979 to the end of 1981. It contains the speeches of Bishop made at meetings and the most important international forums--brilliant, logically constructed, with finely chased formulations, his appeals to the people of Grenada that lifted up simple people, sometimes very colloquial, far removed from the classical English. They provide an opportunity for feeling the living pulse of the revolution.

As the result of Gairy's management the country had been brought to complete ruin. "In our hospitals," Bishop said in his 13 March appeal to the people of Grenada, "there are no medicines, no linens, no pillow cases, no equipment. The schools are half destroyed. Most of the rural populated points have no water supply, electricity, medical facilities or decent housing." [39] These facts were known to every Grenadian. Taken all together they made up what Bishop called "the Grenadian legacy of imperialism," signifying "extreme poverty, enormous unemployment, an existence of semistarvation for most of the population, illiteracy, backwardness and superstition, poor housing, and poor medical services, and all this along with general economic stagnation and mass emigration." [40] Bishop stated this when addressing the 6th Conference of Heads of States and Governments of the Nonaligned Countries in September 1979 in Havana.

The program of extensive democratic transformations proclaimed by the People's Revolutionary Government in order to overcome this legacy, included the following priority tasks: extending the political rights of the workers and for the first time offering them socioeconomic rights; carrying out an agrarian reform; creating a state sector in the economy; ridding the country of the dominance of the foreign monopolies; liquidating illiteracy and raising the cultural level of the popular masses; establishing firm links with progressive forces in the world and pursuing a foreign policy based on the principles of equality, sovereignty and peace. This was the program of the popular, democratic, antiimperialist revolution.

During the first days the new rights of the citizens of Grenada--the right to labor, the right to housing and the right to education--were given the force of law. A law was adopted on equal pay for women and men in the state sector. The National Women's Organization, the National Youth Organization, which quickly involved 40 percent of young people aged 14 to 20, and a pioneer organization which attracted to its ranks the overwhelming majority of schoolchildren aged 6 to 14, were set up. [41]

The government expropriated the property of Gairy and his stooges, including the fashionable Evening Palace, Rock Gardens and Tropical Inn hotels. The property, land and enterprises belonging to the state (bossed by that same Gairy) were nationalized and became the basis of the state sector of the economy. In the first days the prices for staple goods--rice, flour, sugar, fuel--were stabilized and substantially lowered. Free medical services were introduced. Surplus land was confiscated from foreign and local big landowners.

Special attention was paid to the younger generation. The government abolished payment for education in primary classes and made these classes obligatory. Payments for secondary school were reduced to one-third, and a large number

of student grants were made available for students (in 1982 all payments for school were abolished). All children aged up to 5 years and pupils in primary schools received free milk, and some pupils were even given free breakfasts at school. Grenada paid off the Gairy government's debt to the University of the West Indies on Jamaica, which trains specialists for the English-speaking Caribbean countries, and this made it possible to resume training for 45 Grenadian students. A large group of school graduates was prepared for its departure for studies in other universities to qualify as mechanics, construction workers, physicians, agronomists and veterinarians. [42]

The government initiated extensive construction, creating new jobs and thus reducing unemployment. The roads were improved, communications were established with out-of-the-way places, and fine houses were built on the sites of the shanties. The government appealed to the people to participate in voluntary unpaid labor, and thousands of the inhabitants of the cities and the countryside became "weekend workers," building schools and repairing roads, thus demonstrating their indissoluble link with society and their interest in its development. [43]

In the field of foreign policy the People's Revolutionary Government announced in the early days that it would go along the road of antiimperialism, independence and nonalignment. On 8 April it was decided to establish diplomatic relations with Cuba. Grenada would remain a member of the British Commonwealth and of the OAS and the Caribbean Community Market [44], Bishop announced, since it is interested in support from all states that can help in establishing its national economy. But, the prime minister emphasized, "Grenada is a sovereign and independent state even though it is only a small dot on the map of the world." [45]

The antiimperialist course firmly announced by Grenada evoked a nervous response in the White House. On the day after the progressive forces had come to power, Washington announced its "serious concern about what has occurred." In response to the unease felt by the government of Grenada about the actions of Gairy, who had tried to recruit mercenaries in the United States and with their help regain power, the U.S. ambassador to the East Caribbean countries, Frank Ortis, "warned" the government that if in the future it "talks about an invasion by some kinds of armed mercenaries" then the country would lose all its foreign tourists. Moreover, during the official meeting with prime minister Bishop and his deputy Coard on 10 April the U.S. ambassador passed on a statement from the White House that contained a direct threat: the U.S. Government, it said in the statement, "suggests that it is not in Grenada's interest to seek aid from a country like Cuba... We would greet with displeasure any attempt on the part of Grenada to establish closer ties with Cuba." [46]

Grenada's response was one worthy of a country that had made popular revolution. "We do not recognize that the United States has any right to dictate to us with whom we can and cannot establish relations... This is not why we have been fighting for 28 years against Gairyism, giving our lives for the freedom of the motherland, just to throw away the freedom we have won and become a slave or lackey of any other country, no matter how large and powerful it may be," Bishop announced. "We would rather die than compromise and sell or betray



our sovereignty, our independence, our unity and the people's right to national self-determination and social progress." [47] On 14 April an official communique was signed in St. George's announcing the establishment of diplomatic relations between Grenada and Cuba at ambassadorial level. [48]

The people's revolution on Grenada, and the victory of the Sandinista revolution in Nicaragua 4 months later, became new testimony to the weakening of imperialism's dominance in the Caribbean basin. It was a heavy blow primarily to the United States, whose ruling circles had proclaimed the Caribbean basin as the "third border" of the United States (it is precisely in the Caribbean that all the U.S. military bases in Latin America are concentrated). Because of this, in Washington "new methods" for U.S. policy were quickly worked out, aimed at maintaining U.S. strategic, economic and political interests in the region. The main component of this policy, already practiced by the United States in the countries of Latin America, was economic blackmail, psychological warfare based on anticommunist propaganda, and openly subversive actions, namely sabotage, diversion and terror.

Revolutionary Grenada had already itself experienced these "methods" during the first weeks of its existence. On the night of Sunday 6 May two large fires broke out in St. George's. The premises of the trading firms in the center of the city and the Carifta Cottage hotel on the shore were almost completely gutted. The destruction of the trading firm premises was to have caused panic in business circles, while the fire in the tourist zone was to frighten away foreign tourists and deprive Grenada of foreign currency. Simultaneously with the arson, behind which the hand of the U.S. intelligence service was clearly seen, an anti-Grenadian campaign was unleashed in the U.S. press and in the press of a number of Caribbean countries.

On 8 May, delivering a speech on the radio entitled "Let Us Organize the Struggle Against Destabilization," the prime minister announced that it had become known to the government of Grenada from authoritative sources that the CIA had worked out a plan to overthrow the Grenadian revolution, under the codename of "Pyramid." "The base of this 'pyramid,'" Bishop said, "is a plan to destabilize the country by means of slanderous information about Grenada in the newspapers and on the radio, making use of the organizations and governments of the Caribbean region... The second level of the 'pyramid' is acts of violence and arson. And if these two methods do not work, the plan calls for a switch to a stage of terror--murder of the country's leaders. The first two parts of the plan are already being implemented," Bishop stressed. [49]

In September of 1979 the press in a number of East Caribbean countries, as if at some signal, unleashed a campaign "in defense of human rights" on Grenada in connection with the closure there of the opposition newspaper TORCHLIGHT, which had been speaking out against the policy of the People's Revolutionary Government and [publishing] slanderous fabrications about it. Provocative rumors were spread among the population of Grenada. Encouraged with help from abroad, internal counterrevolution increased its activity. The planter-comprador clique, which had lost its power, former servicemen in Gairy's army and the police, the proimperialist press, and part of the bourgeois intelligentsia dissatisfied with the deepening process of the revolution--all these elements

were coordinated and urged on by CIA agents on the island, and a secret war was waged against the revolution and its achievements.

The government called on the people to defend the revolution. Everywhere, detachments of the people's militia were set up to stop acts of sabotage by counterrevolutionary elements and to prepare to defend the country against possible intervention. "Stand on guard over the revolution vigilantly and unremittingly!" This slogan became paramount in the life of the Grenadian people.

Summing up the results of the first year of the revolution, when speaking on 13 March 1980 at a many-thousand-strong meeting in (Ruins) Park, Bishop noted that the past year had confirmed a number of very important tenets developed throughout the entire history of the revolutionary movement. "The revolution," Bishop said, "has reminded us of the great truth of history that a united people, a creative people, an original people can triumph over a dictatorship, can triumph over resistance and can triumph over imperialism and other forces trying to halt progress." Bishop continued: "The revolution reminds us of another lesson: if we are honest with the people, if we speak frankly about the problems, if we introduce proposals in which the people are vitally interested, if we, as a government, convince the people that our efforts are aimed at solving the basic problems and the basic needs of the country... if we act precisely in this way, much that was impossible becomes possible!" [51]

#### The Creativity of the Revolution.

The People's Revolutionary Government was in power for four-and-a-half years--an insignificantly short period in which to carry out profound transformations. But during that short period the country did make an enormous dash forward in all spheres of life--political, economic and social. In its activity the NJM party made use of the experience gained in political and socioeconomic transformations by the states of the socialist community and by countries that had set out on the path of noncapitalist development. At the same time, acting as it was in the unique conditions of a small, underdeveloped island country with extremely limited resources, the party made its contribution to the collective experience of the world revolutionary movement. Following a visit to Grenada, (Kh. Karrera), a member of the Venezuelan Communist Party Central Committee wrote that in the building of a new society "an enormous role is being played by creativity in practical work, the creative passion of the masses, and the humane ideals embodied in the best works of art. And the monumental nature of Michelangelo's great sculpture Moses in no way means that the miniature works of the goldsmith Benvenuto Cellini are of less value because of their smaller size." [52]

The NJM considered that creating conditions for the direct participation by the masses in democratic power was one of the main tasks of the revolution. Bishop caustically derided those bourgeois politicians who present democracy as an "opportunity for the people to mark the name of their candidate once every 5 years on a voting paper, while for the other 4 years and 364 days they have no right to say anything to their government and no right to be involved in the life of their country...What we are talking about is real democracy," he emphasized. [53]

Zonal and district workers' councils were set up on Grenada, together with the enterprise workers' councils that became the organs of people's power. The fundamental principle here was accountability to the people on the part of all officials, including ministers. On any day, Bishop explained in an interview with the Jamaican newspaper STRUGGLE in May 1982, any official in any department, let us say, for example, the central water commission, can be summoned to a regional or zonal council to account for what is going on in the sphere of his competence. [54]

In the spring of 1982 a countrywide national discussion took place--the first in Grenada's history--on a plan for financial and economic development and decrees on payment for accommodation and the development of public transportation; and in February 1983, on the results of the government's socioeconomic activity during the past year and the budget plan for the current year. [55] It was proposed to hold a national discussion on the draft of a new constitution in 1984.

Another very important task linked inseparably with the first was to wrest Grenada's economy away from the fetters of imperialism. The Bishop government pursued a flexible policy based on the principle of a mixed economy--the combination of activity in three sectors, namely the state, cooperative and private sectors. Special attention was paid to the creation of a strong state sector. At the same time the government provided opportunities for private capital to operate, taking into account the fact that the state sector alone was not then strong enough to extend the economy: enterprise equipment was obsolete, manpower resources were limited, there was a shortage of capital and experience. "We are not interfering in the affairs of private entrepreneurs," Bishop noted in an interview given to the journal WEST INDIAN DIGEST, "except insofar as they affect the rights of workers, the payment of just wages and the rights of workers to join the trade union of their choice. We also act in defense of workers in cases of arbitrary dismissal or when they are treated badly; in these questions we shall never compromise, and I think that businessmen understand this." [56]

The government also attracted foreign capital, and sure of the stability of revolutionary power, entered into business partnerships with it. Thus, in 1981 Canada offered \$8.8 million in credits to implement economic development plans, while Mexico helped in the exploration for oil on the Grenadian continental shelf and provided petroleum products. After talks between Bishop and President F. Mitterrand, in the spring of 1983 France signed an agreement to deliver equipment to Grenada and to send specialists.

One of the main projects in the reconstruction of the national economy was the construction of an international airport--"an age-old dream of the Grenadians, which for decades has been so far from realization." [57] Grenada had only one runway at the small Pearls airfield in the northeast of the island, and this had been built in 1943. Located in a narrow gap between the mountains, it was unsuitable for jet liners, and tourists from Europe and the United States had to get to Grenada by transferring through neighboring islands that had possessed modern airports for a long time. Talks with the United States, England and France about the construction of an airport on Grenada had been going on for many years, but nothing had happened. It was only after the victory of the people's revolution that this dream started to come true.



In 1980, with fraternal aid from Cuba, work was started on what was for Grenada an immense construction site in the southwest corner of the island near the small town of Point Salines, several kilometers from the capital. It was necessary to blow up the nearby hills and cliffs and fill in part of the sea strait with earth so that it would be possible to build on this artificial plain a modern international airport that would make it possible to shorten the time taken to travel to Grenada. A number of Arab countries and Canada and England took part in the financing of and work on the project; in 1982 the European Economic Community offered credit of \$26 million for the project.

The role of Grenada was growing in international relations, where it produced a number of initiatives that evoked a broad response. Thus, the Grenadian revolution again confirmed that a country's influence in the world is not determined only by its territory and size of its population. The new Grenada showed that in our time even the smallest countries can put forward constructive proposals of international significance.

In September 1979 at the OAS conference in La Paz, Grenada introduced a proposal to transform the Caribbean basin into a zone of peace, independence and development, favoring a halt to naval maneuvers in the Caribbean and the abolition of foreign bases in the Caribbean countries. Referring to this initiative, Bishop said: "We have tried to halt all forms of aggression against these states, whether it be ideological sabotage, subversive propaganda, economic pressure or the threat of the use of force to intervene in the internal affairs of these countries." [58]

A second important initiative was made by Grenada in the same year in the United Nations. From the tribune of the General Assembly (where earlier Gairy had expatiated about flying saucers) Bishop made a proposal of great significance for many of the countries of Asia, Africa and America. It was a matter of the group of small island states encountering a special range of problems such as "limited markets, limited populations, limited resources, shortages of skilled personnel in key sectors, enormous dependence on the export of just one or two kinds of raw materials, shortages of capital, an undeveloped financial market, an inadequate infrastructure. These countries experience a double oppression from imperialism," Bishop stressed, proclaming the need to create a special aid program for this group of states in the event of natural disasters--hurricanes, flooding and so forth.

Grenada's proposals were supported by many of the developing countries and all the socialist countries. The states of the socialist community were providing Grenada with real fraternal, international aid. Cuba did a great deal in this regard. America's first socialist state sent Grenada gear and equipment, and it sent its own specialists--engineers, physicians, teachers, agronomists, construction workers. The GDR, Czechoslovakia and Bulgaria offered help in the creation of certain industrial sectors.

Diplomatic relations between the USSR and Grenada were established in September 1979. In July 1982 a party and government delegation from Grenada headed by Bishop visited Moscow. Other members of the delegation included NJM Central Committee Politburo members U. Whiteman, minister of foreign affairs,

K. Radix, minister of industrial development, and G. Louison, minister of agriculture. Talks were held between CPSU Central Committee Politburo member and chairman of the USSR Council of Ministers N.A. Tikhonov and CPSU Central Committee Politburo candidate member and CPSU Central Committee secretary B.N. Ponomarev and NJM Central Committee Politburo chairman and prime minister of the People's Revolutionary Government M. Bishop.

During the course of the visit agreements were signed on cooperation between the CPSU and the NJM party, cooperation in the field of planning activity, and economic and technical and cultural and scientific cooperation, and a protocol on deliveries of goods during the period 1983-1987 was also signed. [60] Speaking at the reception given in honor of the party and government delegation from Grenada, M. Bishop stressed that all former colonial peoples "are deeply grateful to the Soviet people for their steadfast and principled support in the struggle against colonialism and against the evils that it brings--racism, neocolonialism and poverty." [61] The prime minister also stated that as a country adhering to a basically antiimperialist course in its domestic and foreign policy, Grenada "considers expansion of relations with the socialist world a matter of paramount importance." [62]

At the same time the Grenadian leaders were trying to diversify links with the various international political organizations. In November 1980 the NJM party joined the Socialist Internationale. Explaining the position of the NJM leadership on this question, in an interview with the journal PROBLEMY MIRA I SOTSIALIZMA Bishop said: "It is very important to remember that the Socialist Internationale is by no means a monolithic organization. It might be said that it is as heterogeneous as the nonaligned movement... It seems to us that the positions of the Socialist Internationale favor the countries of Latin America and the Caribbean basin. The Socialist Internationale supports Nicaragua and the people of El Salvador, and it stands in solidarity with the revolutionary process on Grenada... The viewpoint of the NJM is that the Socialist Internationale provides us with another opportunity for expanding links with the political forces in the world and with the governments of various countries." [63]

The growth of Grenada's international authority and its active foreign policy were largely linked with the name of the leader of the Grenadian revolution, Maurice Bishop, who moved up into the forefront of the figures in the national liberation movement in the world. No small part in this was played by his fame as a fighter against the dictatorial regime on Grenada and charm of Bishop's personality and "its striking attractiveness and ability to stand out in any society," as the famous Colombian writer and Nobel Prize laureate Gabriel Garcia Marques, who met Bishop at many international forums, noted. "On the dais," he recalls, "Bishop was striking not only because he was almost two meters tall and had that Caribbean grace, but also because of his faultless English, cultivated in the British universities, and the smooth flow and magic of his words." [64] But the main thing was those qualities in the leader of the Grenadian revolutionaries such as intellect, energy, combative and consistent antiimperialism, and faith in the triumph of socialist ideals, combined with political flexibility and the ability to determine "the main factor" in every specific stage of the advance toward the main goal--the building of a new society in Grenada.

Even before the victory of the revolution, in 1977, when visiting Cuba the members of the NJM party leadership M. Bishop and U. Whiteman stated in the journal BOHEMIA: "Socialism is the kind of future we would like to see on Grenada... Despite all the difficulties we assess optimistically the prospects for social revolution in our country." [65] These words were justified throughout the entire course of development in the Grenadian revolution. As the radical democratic and socioeconomic transformations were made and the state and cooperative sectors of the national economy strengthened, the party inevitably faced the question of the transition to the next stage of the revolution: the situation on Grenada was moving increasingly beyond the confines of a national liberation movement. The masses' own experience led them to the thought that a democratic antiimperialist revolution cannot survive without moving on to socialism. "At the present time," Bishop stated in the spring of 1982 in an interview with the journal PROBLEMY MIRA I SOTSIALIZMA, "Grenada finds itself at the stage of antiimperialist, national-democratic development, on a path of socialist orientation." [66]

Of course, on this road Grenada faced the difficulties natural to a small country that has recently freed itself from three centuries of colonial oppression and occupies one of the last places in the western hemisphere in terms of per capita income. In particular, the slump in world prices for raw materials seriously affected its economy. The people's government experienced financial difficulties. But the main obstacle barring Grenada's free development was the subversive activity by and the military threat hanging over the country from the United States.

#### The Tragic October.

After 3 years of smooth, joint work, serious differences arose between the NJM party and the People's Revolutionary Government. They concerned primarily methods of leadership by party and state organs and the rates of further socioeconomic development. By the summer of 1983 discussion of these questions had become complicated by personal contradictions. A number of the NJM Central Committee members led by the deputy prime minister B. Coard criticized the activity of the chairman of the NJM Central Committee chairman, prime minister M. Bishop, accusing him of wanting to concentrate all power into his own hands, and they demanded that the functions of party leader and state leader be separated. These central committee members also considered the rates at which the revolutionary transformations were being made to be "inadequate," objecting to the flexible policy being pursued by Bishop both within the country and in the international arena.

A not insignificant part in these agreements was played by personal motives and dissatisfaction with the fact that, as the progressive American journal FREEDOMWAYS noted, "for most of the people Bishop was the embodiment of the Grenadian revolution." [79] It was emphasized in the statement by the Communist Party and Revolutionary Government of Cuba on events on Grenada that "it was a question not so much of disagreements per se as it was of personal contradictions and concepts regarding methods of leadership; and other subjective factors were also involved." [80] There were people both in Bishop's circle and in Coard's who incited them to struggle one against the other.



A split in the leadership could only play into the hands of the enemies of the revolution. It was not happenstance that fabrications about "friction" in and "erosion" of the revolutionary process on Grenada had been inspired by the CIA almost from the very first days of the existence of popular power. On 18 September 1979 Bishop had delivered a radio speech entitled "For the Struggle Against Destabilization," naming among the rumors "that are presenting the greatest threat to the revolution" the one about "a struggle for power in the party and government." [81]

At the 14-16 and 27 September 1983 meetings of the NJM Central Committee the disagreements took on a most acute nature, and in the final days of September and the early days of October, when Bishop was on a business trip to Hungary and Czechoslovakia (he passed through Cuba en route) they led to a split in the leadership. By the time Bishop had returned to Grenada on 8 October Coard had succeeded in "attracting to his side most of the party central committee members, and also the political apparatus of the army and the security services. On 12 October Bishop was removed from his party post and placed under house arrest." [82] He was accused of spreading "slandorous rumors" about a conspiracy being hatched to kill him.

On 15 October Fidel Castro sent a message to the NJM party Central Committee in which "he expressed his deep concern that the split that had occurred could do considerable harm to the revolutionary process on Grenada both within the country and abroad... He expressed the hope that the difficulties that had arisen could be overcome by means of a reasonable and serious approach on a principled basis and by the display of magnanimity." [83] In essence Cuba was trying to prevent "the kind of situation in which events would take on a character of violence and bloody confrontation." [84] However, the split, the spirit of sectarianism, personal contradictions and serious errors permitted by part of the Grenadian leadership, which had been penetrated by elements alien and even hostile to the revolution, led to tragic events.

On the morning of 19 October a large demonstration in support of Bishop took place in St. George's. Hundreds of people trampled the guard and at about 12 noon they freed Bishop from house arrest and moved on through the city to Fort Rupert, gathering new demonstrators. There is still no really reliable information on what happened next. All that is known is that at the fort there was a clash between a crowd thousands strong which had been infiltrated by persons hostile to the revolution, and provocateurs, and the soldiers sent to guard the fort. The soldiers opened fire. As a result about 20 people were killed, including Bishop and several ministers.

In the evening an official report announced the death of prime minister Maurice Bishop, the minister of foreign affairs Unison Whitehead, the minister of education Jacqueline Craft, the first deputy chairman of the Grenadian Trade Union Council Vincent Noel, the minister of housing construction Norris Bain, and the general secretary of the agricultural and unskilled workers trade union Fitzroy Bain.

The amazing agreement in the overthrow of the government in St. George's, the murder of Bishop, and the U.S. intervention that followed in the next few days led to the thought that the U.S. intelligence services had been involved in these events. Speaking at the funeral meeting in Havana dedicated to the

memory of the Cuban internationalists who had died on Grenada, Fidel Castro said: "Today no one can say with accuracy whether the discord had been sown among the Grenadian leadership on its own initiative or on orders from imperialism. It cannot be excluded that the hand of the CIA is behind this. Who were they who prepared the conspiracy against Bishop in the ranks of the party, the army and the state security services? Were they a group of extremists infected with theoretical intrigue, or is it a matter of a group of opportunists with excessive ambitions, or even enemy agents who would like to make an end to the revolution on Grenada? Only history will provide a definitive answer." [85]

In February 1984 the journal COVERT ACTION published an article about the activity of the U.S. intelligence services on Grenada (reprinted in GRANMA). U.S. soldiers who had spilt the blood on Grenada openly talked about help from the CIA in their "mission of liberation." On the military base at Fort Bragg the Mexican journalist Ramon Jimeno questioned about two dozen soldiers of the 82nd Division--the "heroes of Grenada" as their president Reagan called them. One of them disclosed that "Our boys in the CIA pointed out where the houses of the communists were, and we killed everything there. Even the chickens and pigs. We cleaned up everything and freed that country." And another added: "Yes, the CIA boys must be thanked with all our hearts. They had hundreds of agents on the island. They were our guides." [88]

Thus, an objective alliance was formed between the actions of the conspirators seeking to replace Bishop and internal counterrevolution in unison with CIA agents. The history of the revolutionary movement provides many proofs that one of the main factors in its victory is the unity of revolutionary forces. "Inertia, lagging or deviation from the path of unity is the wished-for gift that the revolutionary movement gives to the enemy" [89]: thus was characterized the importance of the problem of unity by the representative of the Cuban Communist Party at the International Theoretical Conference of Revolutionary Parties and Organizations of Latin America and the Caribbean (Havana, 1982). The tragic end of the Grenadian revolution once again confirmed the correctness of this conclusion.

Bishop's arrest served for Washington as the signal for immediate preparations for an operation to invade Grenada, an operation named "Urgent Fury." Already on 15 October representatives of the U.S. administration had discussed with the prime minister of Barbados T. [as published] Adams the question of "joint actions" against Grenada. [90] Here it was decided to impart to the intervention a kind of "collective action" by the East Caribbean states and the United States to "save Bishop," whose fate the U.S. bourgeois press bemoaned in friendly fashion after having so recently vilified him.

On 20 October a Revolutionary Military Council headed by the commander of Grenada's armed forces H. Austin was formed on Grenada and assumed complete authority. On the evening of the same day President Reagan gave the order for a U.S. squadron en route to Lebanon to change course and head for Grenada for the purpose of "safeguarding the lives of American citizens, primarily the more than 600 students at the medical school." Only a few days remained until the demise of the Grenadian revolution.

## The Intervention on Grenada: State Terrorism in Action.

On 21 October, the leaders of the OVKG [expansion unknown: possibly Association of East Caribbean States] gathered in Barbados, and after an exchange of opinions with the U.S. representative, decided to "request the aid of friendly countries for the purpose of... creating forces to maintain the peace" in the East Caribbean region. This decision carried no kind of judicial force since the OVKG Charter provides for taking "measures for collective security" only against outside aggression and with the unanimity of its members; but Grenada had not even been invited to the meeting. At an extraordinary meeting of CARICOM convened on 22 October, Guyana and Trinidad and Tobago were against the intervention. But all these "niceties" held no significance for Washington: work on the details of the operation for the invasion and preparation for it went ahead at full speed.

On 23 October the United States received an "urgent request" from five OVKG members "to help... in restoring order" on Grenada. "Collective action" was announced against Grenada, and in its implementation 15,000 U.S. troops participated along with modern military equipment, together with 300 soldiers from Caribbean island states--Barbados, Jamaica, Dominica, St. Lucia, St. Vincent and St. Kitts, whose symbolic presence was to provide a fig-leaf cover for "collective action" that was aggression by the United States against the revolutionary state.

The pretext of "saving the lives of American citizens" put forward by the White House repeated assertions made use of by all U.S. administrations in order to justify the numerous U.S. interventions in Caribbean countries during the first quarter of the 20th century and returned the world to the age of the gangsterlike "gunboat diplomacy." The U.S. citizens on Grenada were threatened by no danger. On 21 October the Revolutionary Military Council had assured students at the American Medical School and all Americans on the island that it guaranteed "the safety of their lives and property." The rector of the school (Ch. Modik) made a statement to the effect that there was no danger to the students. Moreover, on Saturday 22 October at a press conference in the State Department journalists were officially told that American citizens on Grenada were under no threat. [91]

On the same day the Cuban government sent a message to Washington concerning the position of foreigners on Grenada. "The United States is concerned for the fate of the large number of American citizens on Grenada," it stated in the message. "We are also concerned for the fate of hundreds of Cubans working in that country in various sectors, and also by reports that U.S. naval task forces are approaching Grenada... It would be advisable for our countries to maintain contact and cooperate when difficulties arise in order to take steps with regard to the safety of these persons and so as to avoid violence and intervention." [92] But Cuba received an answer to this message only 3 days later, when U.S. troops had already carried out their military actions on the island.

The U.S. squadron moved into Grenada's territorial waters on 24 October. On Barbados military transport aircraft loaded with marines were landing one after another; the marines had been transferred from Puerto Rico. RC-135 aircraft



carried out air reconnaissance in support of the invasion operation. At 1700 hours on the same day President Reagan appended his signature on the operations plan for "Urgent Fury."

The invasion started at 0530 hours on the morning of 25 October. Two battalions of parachutists were dropped in the region of the Point Salines airport; they cleared the runway for aircraft carrying marines. At the same time helicopters with airborne troops (about 500) landed at Pearls airfield. Some 1,200 marines and 700 "Rangers" supported by bombers, fighters and military helicopters started the intervention. Naval ships opened fire on St. George's, and aircraft and helicopters of the U.S. Air Force dropped bombs on the defenders at the airport and on residential areas in the capital.

U.S. strategists poured down the combat might of the largest imperialist power on a tiny island, reckoning to crush revolutionary Grenada in a single blow in 4 hours, thus presenting the world with a fait accompli. But the defenders of Grenada offered resistance to the aggressors. By 0600 hours the Free Grenada radio station was broadcasting a report on the fighting in the region of the airport. A small army reckoned to number less than 1,000 men, and detachments of the people's militia resisted the interventionists all over the island. But they did not flinch in the face of an enemy possessing colossal superiority in arms and military equipment: eight U.S. helicopters were shot down and more than 100 American soldiers were killed or wounded. [93]

The Cuban internationalists--the construction workers at the airport--offered heroic resistance to the aggressor. Throughout 25 October, after having surrounded their camp, the U.S. troops made several unsuccessful attempts to take it by storm. For more than a day a small handful of people held out against regular units of the U.S. Army.

The White House was forced to acknowledge that the resistance by the Grenadians "had been stronger than anticipated." [94] In the words of a BBC observer, "the fighting in the capital was unexpectedly fierce, particularly in the region of Fort Frederick." [95] Reinforcements from the 82nd Airborne Division "rapid deployment forces" and military helicopters were urgently brought up. Having taken possession of Fort Frederick and other Grenadian defensive perimeters they forced the patriots to withdraw, first to the suburbs of the capital and then into the mountains. On 28 October the U.S. Defense Secretary C. Weinberger admitted that "there are still pockets of resistance on Grenada." By November the numbers of interventionists on the island had grown to 7,500, totaling 15,000 counting the U.S. troops aboard the ships. However, in the mountains the resistance by partisan groups continued for almost another month after the end of combat actions had been officially declared on 3 November. [96]

Revolutionary Grenada fought selflessly. It was not with greetings but with shots that the Grenadians met the aggressors who came to "restore democracy." It was precisely the resistance by the people of Grenada and the Cuban internationalists that showed the whole world that imperialist aggression can be repulsed by force of arms and that prevented U.S. ruling circles from intimidating the peoples of Cuba, Nicaragua and El Salvador, which was by no means the last intention of the intervention. "Grenada has shown," Fidel

Castro said, delivering his speech "A Pyrrhic Military Victory and a Profound Moral Defeat" at the funeral meeting, "that it is possible to fight against crack imperialist troops and not to fear them. The imperialists should know that they will meet with decisive resistance each time they try to engage in aggression against any revolutionary people." [97]

The U.S. aggression against Grenada shook the world. The utterly unprovoked armed attack against a young state, a member of the United Nations, the OAS, CARICOM and the Community was a flagrant violation of the standards and principles of international law and a hegemonic claim to create arbitrary rule in international relations. On 26 October a session of the UN Security Council was urgently convened. All those speaking, except for those participating in the bandit action, censured the violence against the people of Grenada.

At an extraordinary plenary session of the General Assembly on 2-3 November that considered the question of "The Situation on Grenada," 108 countries voted to condemn the aggressor, and only those participating in the intervention, and Israel and the Salvadoran junta voted against it.

In a TASS statement on 26 October 1983 in connection with the intervention against Grenada it was stressed that "it is a question of direct armed aggression against the peace-loving people of a small country that threatened no one in any way. Its aim was to overthrow the system existing there, an attempt by force to tie the Grenadian people to systems to Washington's liking, and to intimidate other freedom-loving peoples in Latin America, and not those peoples alone. By its actions against Grenada the government of the United States has demonstrated its utter contempt for the generally recognized standards of international law and is flouting the high principles of the UN Charter." [98]

The peoples of the world perceived the intervention against Grenada as a threat to all countries that stand up for their independence. "Today Grenada, tomorrow Guyana, the day after tomorrow, who?"; this was the question posed by the prime minister of Guyana F. Burnham. And not only the small states; no state can feel that it is safe when it sees the White House using military force as an argument for resolving all questions. "The bells that today toll for Grenada may be tolling for all mankind tomorrow." [99]

#### A Freedom Crucified.

Having asserted themselves on Grenada the aggressors established a harsh regime of occupation on the island. For 2 months helicopters of the U.S. Air Force circled constantly above the mountainous region, all roads and streets were patrolled by armed U.S. soldiers, special "closed" zones were set up, and freedom of movement about the island was restricted. Military and civilian advisers arrived from the United States for the purpose of creating a "new order" on the island.

During the very first days of the intervention more than 2,000 supporters of popular power--activists in the NJM party and the trade unions, figures from the People's Revolutionary Government, fighters of the People's Army and the Revolutionary Army and the people's militia, and workers at the nationalized

enterprises and cooperatives--were thrown into jail and a concentration camp that had been set up by the occupiers, and many of them were tortured. The minister of justice, NJM leadership member K. Radix, who was put into the concentration camp and miraculously escaped, talked about the reprisals taken against the Grenadian patriots: "At first those arrested were beaten up. Then they blindfolded them and threw them into helicopters, and during flight they were simply pushed to the open doors." A professor from the New York city college, (M. Samad-Matias), who visited the island testified that "They forced those arrested to strip naked and they beat them... They herded them into cattle pens and surrounded them with packs of ferocious dogs that leapt on people if they made the slightest movement."

In November 1983, with the aid of the governor general P. Scoon and with great difficulty (it was not so simple to find a sufficient number of puppets ready to take orders from the interventionists) the occupiers formed an "interim government"--an advisory council. On orders from the U.S. military authorities, Scoon gave the order for the arrest of all "suspicious" people without any kind of sanction, banned the holding of assemblies, meetings and demonstrations and introduced censorship. And the commander of the occupation force D. Ferris stated openly that the powerful police apparatus that he had created would guarantee that "leftist revolutionaries would never again succeed in coming to power."

The occupiers sent to the United States all the documentation of the state institutions in order to "analyze" the lists of Grenadian employees and members of the public organizations and trade unions, the plans for the construction and reconstruction of enterprises, bank accounts and so forth. Large sums were offered to those who would betray active supporters of the Bishop government in hiding. [100]

The U.S. authorities on the island released from jail the criminals and the "mongoose" people. At a press conference in London, an Englishwoman (Lizbet de Blok), a primary school teacher working on Grenada, said: "Professional gangsters from the 'mongoose' gangs were immediately recruited by the Americans as informers and assistants in rounding up supporters of the Grenadian revolution. At the airport and the control points set up all over the island they stood side by side with U.S. soldiers, pointing out who should be arrested and who should be let pass." [101]

The occupiers reversed all the gains of the revolution: free medical services, grants for secondary education and university grants. Almost no physicians remained in the hospitals, the agricultural cooperatives were disbanded, and unemployment, which had been lowered under the Bishop government to 14 percent of the able-bodied population, has now reached 30 percent. The existence of the local councils, the National Women's Organization and the youth and pioneer organizations was ended. On Scoon's order, at the end of 1983 the professional terrorists who had prepared the explosion on 19 June 1980 in (Kuins) Park, were released from jail.

At the same time Grenada is being truly colonized by the United States. Already by the end of November 1983, on orders from the White House a special "working



group" headed by one of the leaders of the U.S. International Development Association (Dzh. Morris) was sent to the island. (Morris) had proposed a sharp cutback in the state sector that had been developed under popular power, and reckoned on encouraging private entrepreneurship and establishing control by American banks over Grenada's finances. By the summer of 1984 almost all government enterprises had been returned to private ownership. The economic agreements with the socialist countries were liquidated. [102]

The airport at Point Salines, which Reagan asserted was being transformed into a "large military base for Cubans and Russians," is now being completed at accelerated rates by U.S. troops; the U.S. administration has spent large sums for this. In April 1984 a press report was published to the effect that a military air base was being built at Point Salines that the Pentagon intended to "lease" for 99 years after signing an agreement with the puppet regime in St. George's. More than 1,000 U.S. soldiers and the so-called "Caribbean forces to maintain the peace," made up of several hundred soldiers from the countries participating in the intervention, still remain on Grenada.

The former dictator Gairy, who was overthrown in 1979 and spent the intervening years in San Diego (United States), has returned to occupied Grenada. He took part in the "ceremonies of 7 February" on the occasion of the 10th anniversary of the declaration of Grenada's independence, ceremonies organized by the U.S. occupation forces with musical accompaniment from a military band from the U.S. 82nd Airborne Division--the same division that in October 1983 crucified Grenada's freedom on the points of bayonets.

But the interventionists cannot wipe from the memory of the Grenadians the years of the revolution. The newspaper CHICAGO SUN has acknowledged that "as before, on Grenada the memories of the revolutionary government are still alive, and its measures and reforms still enjoy popularity. On the walls of houses in St. George's the following appeared overnight: "No Bishop, no revolution, no work!" and "Remember the Revo" (revo was what the people of Grenada called the revolution for short under popular power). [103]

On 13 March 1984 on the fifth anniversary of the overthrow of the proimperialist dictatorship by Grenada's revolutionary forces, the island's ruling advisory council banned any kind of public acts in commemoration of this date, fearing that any celebration might turn into a protest against the U.S. presence. The fear that haunts the puppets is the one thought that the people will remember the revolution.

At the 13-15 June 1984 Havana first consultative meeting of the antiimperialist organizations of the countries of Central America and the Caribbean, among the urgent questions in the struggle by the peoples of the region against Washington's expansion and the arbitrary rule of its henchmen, the development of a broad campaign to protect a Grenada occupied by the U.S. military was named. Those participating in the meeting expressed "their conviction that the people of Grenada will succeed in raising aloft the torch of national and social liberation lit by the leader of the Grenadian revolution, Maurice Bishop." [104] It is impossible to shackle in fetters a people that has known true freedom.

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24. Ibid., p 269.
25. Ibid., p 226.
26. J. Luna. op. cit. p 74.
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31. V.I. Lenin. Complete Collected Works, Vol 34, pp 247, 435.
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39. Ibid., p 11.
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41. W.R. Jacobs, op. cit. p 41.
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47. Ibid., pp 13-14.
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103. GRANMA 11 Mar 1984.
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## INTERNATIONAL

### LENIN CITED ON 'SPECIAL FEATURES' OF ASIAN REVOLUTIONS

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 7, Jul 84 pp 2-5

[Article by V. Khoros, doctor of historical sciences: "V. I. Lenin and the Revolutionary Movement of the Peoples of the East."]

[Text] Analysis of the revolutionary situation in the East has become an organic part of the Leninist doctrine on revolution. V. I. Lenin was a contemporary of Asia's great awakening at the beginning of the 20th century. He welcomed the revolutions in Iran, Turkey, and China. In his last works--essentially a testament to the party--Lenin paid appropriate heed to the role of the national-liberation movement within the world revolutionary process, uttering the thought that "further revolutions in the countries of the East, which have an incomparably more abundant population and an incomparably greater diversity of social conditions, will...undoubtedly present greater originality than the Russian Revolution."<sup>1</sup>

But it would be incorrect to interpret these words as an apologia for unique original, national or regional specificity. As a dialectician, V. I. Lenin fully understood that the particular is indivisible from the general, that originality can be truly understood only against the background of universal laws. Therefore, he always regarded the national-liberation struggle of the peoples in the colonies and dependent countries as a link in the revolutionary process. The irreversible crisis of world capitalism, conditioned primarily by the revolutionary movement of the proletariat in the developed countries--this is what summoned to life the upsurge in the struggle in the former world "periphery," as well as the determination of the Eastern peoples to cast off of themselves the yoke of foreign oppression. Lenin attributed particular importance to the experience of the October Revolution, thanks to which "the East...was finally drawn into the general circulation of the worldwide revolutionary movement."<sup>2</sup> He spoke about the new period of world history, in which the movement of the socialist proletariat and the national-liberation movement of the oppressed peoples have turned out to be closely inter-connected: the former not only influences the latter but also experiences a "feedback" on itself.<sup>3</sup>

To the highest degree, the revolutionary path ensures anti-feudal and anti-imperialist transformations, which are objectively necessary to the Eastern countries for the purpose of eliminating their historical backwardness. It was precisely for this reason--by virtue of the irreversibility of the revolutionary process in the Asian region--that for Lenin "the East finally started

down the road of the West"<sup>4</sup> (but not in the sense that all the Eastern countries had to start along the path of developing capitalism according to the Western model).

And so the struggle in the area of the national-liberation movement has been closely connected with the revolutionary forces in other regions; it has inherently those same basic directions and principles that are also present in the more developed countries. For Lenin, nevertheless, the revolutionary process in the East undoubtedly had a significant amount of originality. Indeed, already with reference to the October Revolution, V. I. Lenin indicates the characteristic traits of this originality: "Russia, standing on the border between the civilized countries and those countries which, for the first time... are finally being pulled into civilization, the countries of the entire East, the non-European countries...could and had to manifest certain original traits, traits which lie, of course, along the general lines of world development, but which distinguish its revolution from all the previous ones of the Western European countries, and which introduce some partial innovations when making the transition to the Eastern countries."<sup>5</sup>

This "borderline" position of Russia, this backwardness of Russian capitalism, and, at the same time, its limited degree of development, made Russia the "weak link" in the chain of imperialism, and this led to the situation whereby the proletarian movement merged here together with the general-democratic, peasant movement.

But the uniqueness of the East--including that compared with the Russian model --goes even further, inasmuch as the revolutionary movement has begun here only on the level of a general-democratic movement, but, at the same time, it has proved to be linked with the higher forms of revolutionary struggle in the developed countries. Hence--new, previously unknown joinings and combinations of social forces. Somewhat earlier Lenin had expressed this dialectic of the general and the particular in the world historical process as follows: "Various nations proceed along the same historical road but, to the highest degree, by various zig-zags and paths, and...the more cultured nations proceed knowingly differently than the less cultured ones."<sup>6</sup>

But just wherein, according to Lenin, lay the traits of originality of the revolutionary process in the East?

In the first place, in the unity, the inter-connectedness of its constituent parts. If the 1905 Russian Revolution, Lenin noted, could still take place, at least at the beginning, in a relatively isolated manner, without at once pulling other countries into the social struggle, the revolutions springing up in India, China, and the other Eastern countries have exerted a powerful influence on other colonial countries and dependent states, pulling the backward East into the revolutionary process. In the second place, in contrast to the developed countries, where the bourgeoisie has for a long time shown itself to be the conservative element in society, in Asia a considerable portion of the bourgeoisie has participated actively in the national-liberation struggle, inasmuch as the "chief representative or the main social support of this still historically progressive cause of the Asian bourgeoisie is the peasant."<sup>7</sup> And, since this is the case, the Eastern bourgeoisie "is still marching with the

people against the reactionaries."<sup>8</sup> In the third place, V. I. Lenin emphasized the backwardness of the Eastern region--not only as compared with the Western European states and America, but also in comparison with the second echelon of world capitalism (Russia, Japan, and the Balkan countries). He constantly remarked on the viability of the traditional structures, the vestiges of the Middle Ages in the East. This specific characteristic could not help but leave a substantial imprint on the contents and the course of the revolutionary process there, to condition its complex zig-zags and unexpected turns; it manifests itself markedly even today. Suffice it to refer to the example of the anti-monarchist revolution in Iran, which, at its beginning, contained elements of democratism and anti-imperialism and was then swallowed up in Islamic traditionalism.

Furthermore, V. I. Lenin took into account both the bourgeois-democratic tasks being set forth by the revolutions in the East and the acuteness of the nationality problems characteristic of these revolutions, for the liberation struggle in the colonies and in the dependent countries coincided with the process of forming nations there. And so Lenin pointed out the necessity for the vanguard detachments of the national-liberation movement, including the Communists, "to base their efforts on this bourgeois nationalism, which is being awakened among these peoples, and cannot help but be awakened, and which is historically justified."<sup>9</sup>

Of course, the idea of the historical justification of nationalism at a certain stage was not equivalent for Lenin to an ideological justification of nationalism. He saw well the negative traits of nationalistic doctrines and trends, including the revolutionary ones. "...The more backward a country is, Lenin wrote, "the stronger within it is small-scale agricultural production, a patriarchal way of life and provincial isolation, inevitably leading to a particular strength and stubbornness of the deepest petit-bourgeois prejudices, i. e., the prejudices of national egoism and national limitedness."<sup>10</sup> While allowing for Communists the opportunity to participate in various blocs and compromises with these or other political forces, V. I. Lenin always insisted on the need to retain the independent position of the proletariat and the Communists in these provisional agreements, as well as the importance of their ideological demarcation from nationalism or the bourgeois ideology as such. But Lenin saw that at this stage of the national-liberation movement nationalism in the East contained within itself a powerful, revolutionary, anti-imperialist charge. Therefore, he considered that the Comintern "should support bourgeois-democratic, nationalist movements in colonies and backward countries."<sup>11</sup>

Finally, V. I. Lenin drew fine distinctions not only among bourgeois-democratic but also anti-capitalist potentials of the national-liberation struggle in the countries of the East. The anti-imperialistic thrust of these movements, as it were, communicates to them a speed-up, which leads them beyond the general-democratic, bourgeois frame of reference. "...The movement of most of the world's population," Lenin wrote, having in mind the countries of the East and the world "periphery" as a whole, "while initially directed at national liberation, will turn against capitalism and imperialism, and, perhaps, will play a much greater revolutionary role than we anticipate."<sup>12</sup> Lenin's confidence in such a prospect was based on the fact of the enormous and ever-growing revolutionizing influence which has been exerted on the national-liberation



movement by the October Revolution, which provided the peoples of the East with models of progressive development and the elimination of social backwardness. Proceeding from this, Lenin also formulated at the Second Comintern Congress an extremely important thesis regarding the possibility for the peoples of the East to follow a non-capitalist path of development, by-passing the capitalist phase, inasmuch as at the new stage of history an inter-action is occurring between the national-liberation and the proletarian socialist movements.<sup>13</sup>

\* \* \*

V. I. Lenin isolated out two main currents in the revolutionary processes of the East. The first of these was the national-democratic (sometimes in Lenin's works one can encounter the term "national-revolutionary"), in combination with what Lenin himself defined as populism. In his article entitled "Democracy and Populism in China," comparing Sun Yat-sen with his Russian predecessors and contemporaries, Lenin took the phenomenon of populism beyond the Russian framework, and later he expressed the supposition that the given ideological type could possibly arise "in a whole series of Asian states undergoing bourgeois revolutions in the 20th century."<sup>14</sup>

Life has completely confirmed Lenin's prediction. Even prior to the formation of the Kuomintang in China, populist ideological tendencies were taking place in Japan. In India Gandhism was becoming widespread, and in Indonesia--the ideology of Marhaenism (A. Sukarno, M. Khattha). A new flare-up of populist trends has occurred at the present-day stage of the national-liberation movement--F. Fanon and H. Boumedienne (Algeria), M. Keita (Mali), K. Nkrumah (Ghana), J. Nyerere (Tanzania), Aung San and Ne Win (Burma), P. Panamiong (Thailand), and others. All of them, as well as the Russian Narodniks (populists) in the past, are characterized by a combination of democratic aspirations and elements of "peasant" socialism; they proceed from the idea of the non-capitalist development through the use of traditional (communal) collectivism and moral solidarity. The problem of present-day narodnik movement (populism) is being widely discussed these days in foreign literature.<sup>15</sup>

In contemporary Marxist literature--the works of the Soviet Eastern specialists and historians R. A. Ul'yanovskiy, A. B. Belen'kiy, T. B. Goncharova, and A. F. Shul'govskiy, the Hungarian scholar Attila Aga, and others--an ever-increasing interest is being manifested in analyzing the populist trends in the countries of Asia, Africa, and Latin America, as well as in the Leninist thesis of populist tendencies in the East. It seems, nevertheless, that the methodological importance of the Leninist approach indicated here has still been far from fully evaluated. To a considerable extent, this can be explained by the fact that in Soviet historical literature the emphasis was placed for a long time predominantly on Lenin's negative utterances concerning populism, above all, on Russian populism. Yes, indeed, he subjected the ideas of the populists to consistent criticism from the viewpoint of scientific socialism. This criticism was particularly sharp in connection with the fact that the populists of the 1890's (mainly the SR's) were actively competing with the revolutionary social-democrats for influence over the workers' movement, and they were preaching their own interpretation of Marxism. However, as was also the case in the works of K. Marx and F. Engels, Lenin's criticism of populism was multifaceted and substantive, while his attitude toward populism was objective and dialectical.



Lenin provided the classic definition of populism as the ideology of peasant democracy--of the entire peasantry as a whole and especially its middle strata.<sup>16</sup> He showed the real significance of the populist "agrarian democratism" (having distinguished it from the petit-bourgeois-socialist Utopianism of the populists): the anti-feudal slogan of nationalizing the land during the period of the bourgeois-democratic revolution signified, in essence, an "American," farmer-type path of capitalist development.

However, it does not follow from this that Lenin considered the populists to be merely bourgeois-democrats in different clothing and their socialist "additions" to democratism--as simply a matter of external dress. He demonstrated that the theories and programs of populism must be perceived, in the first place, in connection with their foundation--the social psychology of the peasant masses, and, in the second place, within the context of the specific revolutionary period in Russia. During the given period (in 1905 and especially in 1917) the importance of land nationalization was not limited to its bourgeois-democratic function. "The shock inflicted by individual land ownership," wrote Lenin, "will facilitate the inevitable subsequent shocks of property ownership in common."<sup>17</sup>

Therefore, while subjecting to merciless criticism the petit-bourgeois socialism of the populists--since, in and by themselves, their equalizing ideals were an illusion of socialism and did not go beyond the bounds of bourgeois relations, Lenin, at the same time, did point out the conformity to principles of the socialist garb of populist democratism, the close connection between the democratic and anti-capitalistic elements in the populist concepts and programs. In 1905 he noted the "INEVITABILITY [in italics] of revolutionary-democrats shading into SR's, taking the SR as a type."<sup>18</sup> For Lenin the socialist "additions" in populism were not simply the theoretical meditations of individual members of the intelligentsia, but, to one degree or another, the ideological equivalent of the attitudes and aspirations of the masses. "...Is it really not natural," he wrote concerning the populist-peasant Utopia, "that the millions of people marching to the fray, people who for centuries have been living in unheard-of darkness, need, and poverty...exaggerate ten-fold the fruits of possible victory?"<sup>19</sup>

The "natural" aspirations and exaggerations of the peasants were far from being matters of indifference for the proletariat not only in the bourgeois-democratic but also in the socialist revolution. Therefore, in October 1917 the Bolsheviks adopted as the Decree on the Land the peasant instructions, which were based on the populist positions on the "labor" norm of land ownership, the prohibition of hired labor, etc. In a proletarian state such a solution to the problem facilitated, to a certain extent, the limiting of capitalistic relations in the rural areas, and it was a unique kind of transition stage in the gradual, socialistic re-structuring of the society by the proletariat in alliance with the working part of the peasantry.

Proceeding from the fact that the populist theories reflected, to a certain extent, not only the democratic but also the anti-capitalistic potential of the peasant movement, V. I. Lenin at the Third Congress of the Soviets considered it possible to say that "there is a healthy, vital, great socialist kernel in the doctrine of those who wanted the peasantry, in its laboring part, to join

the great socialist movement of the workers of the entire world."<sup>20</sup> This was said during the period of cooperation between the Bolshevik party and the left-wing SR's, who, longer than the other populist factions retained revolutionary-democratic positions, but they too were not able to maintain them. On the whole, however, the populist leaders during this period were not living up to their own anti-capitalist declarations, nor were they able to become even consistent democrats.

However, the failure of the views of the populist leaders in Russia did not remove for Lenin the problem of evaluating the rising petit-bourgeois-peasant democratic movement in the colonial and dependent countries, all the more so under the conditions of the new historical period which was opened up by the victory of the Great October Socialist Revolution. Hence Lenin's posing of the question of the possibility of the non-capitalist development of the countries of the East after 1917. Turning away from the Russian experience, V. I. Lenin explained that petit-bourgeois elements "far from under all conditions and far from in all countries are, can be, or should be the foes of socialism."<sup>21</sup> He admitted that in the Eastern countries leaders could advance to the forefront, advocating, just like the Russian populists, a non-capitalist path of development. Bearing witness to this is Lenin's evaluation of Sun Yat-sen, which was mentioned above. And not only this.

In pointing out how applicable to the Russian model was the democratic, "peasant" core of populism in the Eastern countries, Lenin evaluated its revolutionary potential quite highly. This was likewise revealed, in particular, in his attitude toward Gandhism. The well-known Indian revolutionary, M. N. Roy, in his reminiscences talks about his disputes with Lenin, in which the evaluation of Gandhi's activity "was the basic point of disagreement. Lenin considered that, as the inspiration and leader of a mass movement, Gandhi was a revolutionary. But I asserted that, as a religious and cultural revivalist, Gandhi inevitably had to be a reactionary."<sup>22</sup>

The context within which the conversation between V. I. Lenin and M. N. Roy occurred is an interesting one. Roy was citing G. V. Plekhanov's evaluation of the Russian populists and which, in Roy's opinion, "was applicable to Indian nationalism, particularly to its extremist and Gandhist trends. The Russian populists and Social-Revolutionaries believed in terrorism and in the 'special spirit of the Slavic race.' They also rejected capitalism as an evil which was coming in from the West and which had not existed in Russia. They were calling upon the younger generation to return to the village for the purpose of reviving the former "mir"[associations].<sup>23</sup> In M.N. Roy's text there's no indication as to how V. I. Lenin reacted to his comparison of Gandhism with populism. But it is characteristic that Lenin did not agree with his one-sided evaluation of Gandhism. And it is easy to understand this disagreement if we take into account the fact that Lenin, in contrast to Plekhanov, took into consideration the healthy, positive traits of the populist-type doctrines and trends.

In analyzing the Leninist approach to phenomena of the populist tendency in the East, today's Marxist researchers should take into consideration the extremely important methodological position of Lenin, as examined at the beginning of the present article, concerning the "increasing" originality of the

revolutionary process in the zone of the national-liberation movement. The present-day populist leaders in the East are, to a large extent, different from their Russian predecessors--by more strongly expressed nationalistic tendencies, more frequent appeals to religious values, etc., and, at the same time, by a more determined, anti-capitalist, anti-imperialist thrust in their own views, which is not only the result of the struggle against their former mother countries but also the influence of the world socialist system. These days, therefore, the Communists are justified in supporting both the democratic as well as the anti-capitalist "core" of the contemporary, populist-type ideological trends.

Another current in the revolutionary process in the East which V. I. Lenin considered to be both extremely active and with the best prospects was the Communist movement proper or something close to it. In his time such types of revolutionary organizations in the zone of the national-liberation movement were just beginning to emerge. But Lenin considered their growth to have good prospects; moreover, it could be soon and was completely realistic. "The idea of a Soviet-type organization is simple and can be applied not only to proletarian but also to peasant feudal and semi-feudal relations," he wrote.<sup>24</sup> Analyzing the experience of the first few years of the development of the Soviet outlying republics of the Caucasus and Central Asia, he concluded that this experience was "proof and confirmation of the fact that the ideas and principles of Soviet power are accessible and immediately realizable not only in countries which are industrially well-developed, not only with such a social bulwark as the proletariat but also with such a foundation as the peasantry."<sup>25</sup> Therefore, in addressing the Communists of the East, Lenin set them the following task: "translate the genuine Communist doctrine, which was intended for the Communists of the more advanced countries, into the language of every people."<sup>26</sup>

But was it right in general to pose the question of building socialism under the conditions of backward countries? The answer to this is given by the well-known Leninist thesis concerning the historical creativity of socialism, as formulated initially in application to Russia's Communists: "If a certain level of cultural standards is required in order to create socialism,...then why cannot we begin at first with gaining by the revolutionary method the prerequisites for this certain level, and THEN [in italics] on the basis of the workers'-and-peasants' power and the Soviet system, move forward to catch up with other peoples?"<sup>27</sup>

But between the posing of this problem and its solution under the conditions of the East there was an enormous distance. Certain approaches, important in principle for its solution, were outlined by Lenin even during the course of the social transformations in the outlying Soviet republics. In particular, he persistently advised the Communists of Transcaucasia to understand the "uniqueness" of their local region and "not to copy the tactics" of the central oblasts of the RSFSR. "A slower, more careful, more systematic transition to socialism--that is what is possible and necessary for the republics of the Caucasus as distinct from the RSFSR."<sup>28</sup>

Even now this Leninist directive resounds in a timely manner and has very important methodological meaning for developing the theory of the national-democratic and popular-democratic revolutions in the liberated countries.



Lenin fully recognized the enormous difficulties of the emergence and separation of the genuinely communistic elements out of the national-liberation movement in the East--difficulties which stemmed primarily from the objective situation of backwardness. "The revolutionaries still have a great deal of work to do on their own state, economic, and cultural construction," he told the leaders of the Mongolian liberation movement, "until a proletarian mass is created out of the nomadic-shepherd elements, a mass which subsequently be capable of 'transforming' the popular-revolutionary party into a communist party. A simple change of sign-boards is harmful and dangerous."<sup>29</sup>

Already at that time V. I. Lenin had noted manifestations of the symptoms of the children's disease of "leftism" among the Communists and other revolutionaries of the East, who were striving not merely to immediately "change the sign-boards," but also to immediately implement socialism, to carry out precipitous anti-capitalistic changes. They failed to understand the fact that non-capitalist development cannot be a simple and rapid "leap" from backwardness to the higher forms of production and social life. In by-passing the capitalist stage, the form of bourgeois private property ownership, we cannot "pass by" those progressive social-production achievements which are acquired as the result of capitalistic "training": labor discipline, production and social cultural standards, and the indoctrination of the individual personality with traits of independence and initiative. Without these factors socialism is unthinkable--otherwise--as K. Marx and F. Engels had already pointed out--it could turn into a primitive-equalizing "barracks communism," which "would not only not rise above the level of private property but would not even reach as high as it."<sup>30</sup> It was exactly in this way that V. I. Lenin on several occasions condemned the left-wing tendencies of "barracks communism." It is thought that the strategy of the New Economic Policy, as worked out by Lenin, is even today extremely timely for the practice of non-capitalist transformations in young states, in particular, for the left-wing-populist leaders or the vanguard parties of the working people.

Finally, V. I. Lenin constantly pointed out those forces opposed to the progressive development of countries which are liberating themselves from the yoke of colonialism and dependence--the forces of imperialism and international reaction. This danger remains even in our own times. In a speech to voters the general secretary of the CPSU Central Committee, Comrade K. U. Chernenko emphasized that recent years have been marked by a significant activation of the most aggressive circles of American imperialism, including those with regard to the liberated states; examples of this are the invasion of Lebanon, the occupation of Grenada, and the undeclared war against Nicaragua. The policy of the USSR and the other countries of the socialist community is directed at opposing this dangerous line, at a multi-faceted support of the just struggle of the peoples for their own liberation, and at drawing young states into the noble struggle for peace and security on our planet.

Let's make a brief summary. The correctness of Lenin's ideas on the revolutionary process in the East has been confirmed by historical practice. The alliance between world socialism and the national-liberation movement is being strengthened. Various revolutionary forces are operating within its zone--populist types, vanguard parties of the working people which are close to Marxism-Leninism, and the Communists. Nevertheless, there are still significant problems and difficulties in the practical implementation of a socialist orientation in

the East, about which V. I. Lenin warned. He advised that these difficulties be overcome by a creative approach to the phenomena of social life, taking into account the specifics of the historical stage and the local conditions. And in assimilating the present-day experience of the progressive development of the states being liberated, it is thought that it is extremely important to bear in mind the advice bequeathed to us by Lenin: be prepared to perceive that unique originality which will subsequently be "presented" by the revolutionary process in the East.

#### FOOTNOTES

1. V. I. Lenin, "Poln. sobr. soch." [Complete Works], Vol 45, p 381.
2. Ibid., p 403.
3. See Ibid., Vol 23, p 3.
4. Ibid., Vol 21, p 402.
5. Ibid., Vol 45, p 379.
6. Ibid., p 38, p 184.
7. Ibid., Vol 21, p 402.
8. Ibid., Vol 23, p 167.
9. Ibid., Vol 39, p 330.
10. Ibid., Vol 41, p 168.
11. Ibid., p 167.
12. Ibid., Vol 44, p 38.
13. See Ibid., Vol 41, pp 245--246.
14. Ibid., Vol 22, p 120.
15. See, for example, "Populism: Its Meanings and National Characteristics," London, 1969; E. Laclau, "Politics and Ideology in Marxist Theory: Capitalism--Fascism--Populism," London, 1977; M. Canovan, "Populism," New and London, 1981, and others.
16. See V. I. Lenin, Op. cit., Vol 22, pp 304--305; Vol 37, p 207.
17. Ibid., Vol 10, p 59.
18. Ibid., p 369.
19. Ibid., Vol 22, pp 120--121.

20. Ibid., Vol 35, p 263.
21. Ibid., Vol 38, p 133.
22. "M. N. Roy's Memories," Bombay, 1964, p 379.
23. Ibid., p 380.
24. V. I. Lenin, Op. cit., Vol 41, pp 244--245.
25. Ibid., Vol 42, p 132.
26. Ibid., Vol 39, p 330.
27. Ibid., p 45, p 381.
28. Ibid., Vol 43, p 199.
29. Ibid., Vol 44, p 233.
30. K. Marx and F. Engels, "Iz rannikh proizvedeniy" [From Early Works], Moscow, 1956, p 587.

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## INTERNATIONAL

### AAPSO CONGRESS MEETS IN ALGIERS MAY 1984

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 7, Jul 84 p 6

[Article by S. Vydrin: "The Path of Solidarity and Struggle"]

[Text] It was not by chance that the capital of Algeria was chosen as the site for holding the Sixth Congress of AAPSO [Afro-Asian People's Solidarity Organization]--the most important forum of the movement for Afro-Asian solidarity. The Algerian people, marking in November of this year the 30th anniversary of the beginning of the armed struggle against colonial domination, have demonstrated vivid examples of inexhaustible strength, self-sacrifice, and heroism in the name of the liberty and happiness of their own native land. Their revolution inscribed notable pages in the history of the national-liberation struggle of all oppressed peoples.

At the end of May the representatives of more than 100 mass national and international democratic movements, revolutionary-democratic parties, national-liberation movements, and delegates from the socialist countries assembled at the capital's Palace of Congresses.

With an enormous upsurge these prominent socio-political figures listened to the message from the general secretary of the CPSU Central Committee, the chairman of the Presidium of the USSR Supreme Soviet, K. U. Chernenko, to the participants in the Sixth Congress of the AAPSO. "Your forum," it emphasized, "has assembled amid the circumstances of growing international tension, fraught with the danger of nuclear war. Direct responsibility for the situation which has been created is borne by the ruling circles of the United States of America. In striving to reverse the wheel of history, they are stepping up the arms race and carrying out state terror with regard to many independent countries. Imperialism's aggressive policy in Europe has been accompanied by an unleashing of local conflicts in Asia, Africa, Latin America, and in the Indian Ocean Basin; the danger of militarizing outer space is also growing."

The high marks which this greeting gave to the role played by the liberated countries, the non-alignment movement, and the broad-based social forces of Asia and Africa, including the AAPSO, in the struggle against the forces of imperialist aggression, for the speediest and equitable solution of the urgent problems of the Afro-Asian region, raised even further the authority of the Algerian forum and inspired the peoples of the two continents, who are striving for peace, security, and socio-economic progress.



Those who delivered speeches in Algiers--the general secretary of the AAPSO, Nuri Abdel Razzak, the leaders of the struggle for the freedom of South Africa and Namibia, A. Nzo and S. Nuyoma, the chairman of the PLO Executive Committee, Ya. Arafat, the head of the Libyan delegation, Abdel Ati Cbeydi, and others--noted with alarm the dangerous growth of international tension and the threat of thermo-nuclear war. The deployment of medium-range missiles in Western Europe, the plans for developing them in a number of African and Asian countries, as well as in the waters of the Indian and Pacific Oceans, testifies very obviously to the fact that the course of the Reagan administration is directed not only against world socialism but also against the national-liberation movement of the Afro-Asian and Latin-American peoples.

The imperialists are applying the maximum efforts to introduce a split in the ranks of the fighters for peace, liberty, and independence, to draw the liberated countries into an exhausting arms race, to retard their economic and cultural development, to sow dissension and hostility among neighbors, and to make it easier for the West to intervene in their internal affairs.

At the same time the participants in this congress stated with satisfaction that, in reply to the aggressive, anti-popular policy of imperialism, there has been an unprecedented upsurge of anti-war, anti-imperialist activity by hundreds of millions of people on all continents. There has been an expansion and a strengthening of the social base of the anti-war movements; their organizational capacity has risen to a new and higher level.

A long speech was delivered at the Sixth Congress of the AAPSO by the head of the Soviet delegation, candidate member of the Politburo of the CPSU Central Committee, and first secretary of the CP of Georgia Central Committee, E. A. Shevardnadze. "The Communist Party of the Soviet Union and the Soviet state see as the chief task of their activity in the international arena saving mankind from nuclear disaster," he emphasized. "The well-known peace initiatives and proposals of the Soviet Union are aimed at averting the threat of a nuclear confrontation."

One of the most important questions discussed in Algiers was the opposition, which has become exacerbated in the last few years, between the liberated countries and imperialism in the economic sphere. "Our country," E. A. Shevardnadze said, "supports the program for the radical re-structuring of international economic relations on the equitable and democratic basis which has been set forth by the non-aligned countries. We are in favor of conducting within the framework of the UN global negotiations relating to all the problems of world economic ties."

The representatives of various countries noted that an important factor in supporting the struggle of the developing countries to create an independent, national economy against neo-colonialism is their economic and scientific and technical cooperation with the Soviet Union and the other socialist states. According to its own principles, contents, and aims, it constitutes a model of a new type of international relations; to a certain degree, it blocks the exploitation of the Afro-Asian countries by monopolistic capital and strengthens their positions in the struggle against imperialism and for their own economic rights.

The concluding documents, as adopted by the Sixth Congress of the AAPSO, express the readiness of the latter to deepen cooperation with all international organizations, including the UN, with the non-alignment movement, and with all organizations of democratic society opposed to imperialism and militarism. The congress participants called upon world public opinion to intensify its protest against militarism and neo-colonialism, against imperialist intervention in the internal affairs of sovereign states.

The Sixth Congress of the AAPSO proclaimed its ardent support for the just struggle of the Arab people of Palestine, Lebanon, and Syria against the American-Israeli aggression, the struggle of the peoples of Afghanistan and Kampuchea against the intervention of the imperialists in their internal affairs, the peoples of southern Africa, Central America, and all peoples and countries, engaged in defending their legitimate right to independence and a free life.

"The future of mankind," state the participants in the Sixth Congress of the AAPSO, "our and your future is in our hands! Only we can realize our hopes for a better tomorrow. And there is only one path to this--the path of solidarity and struggle!"

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## INTERNATIONAL

### CAUSES, CURES FOR INEFFICIENCY OF STATE-OWNED AFRICAN INDUSTRY

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 7, Jul 84 pp 7-11

[Article by A. Melikdzhanyan: "The State Sector: Questions of Increasing Effectiveness and Profitability"]

[Text] Broad-based investment and entrepreneurial activity by the national state, which has become a genuine fact in the African countries as well as throughout the developing world, as was previously the case, however, has become the object of sharp discussions within the framework of the struggle to choose a development strategy, to support the economic machinery of the state to the interests of this or that class, this or that social group. One of the important trends of this polemic comprises the questions of evaluating the effectiveness of the state sector.

If at the very beginning of Africa's decolonization Western theoreticians and experts, for the most part, rejected the very idea of state intervention in the economic life of the liberated countries, regarding it not only as a direct infringement on the "sacred principles" of private (above all, foreign) property ownership, but also the potential danger of these countries converting to the non-capitalist path of development, with the passage of time the attitude of neo-colonialism toward the state sector became more and more pragmatic. It has become clear that the formation of an African national bourgeoisie is proceeding in an extremely contradictory manner and not so fast as to impart an objectively necessary dynamism to the process of economic growth. Furthermore, the emerging African bourgeoisie greatly differs from the "classic" type of entrepreneur in a whole number of characteristics, and this makes it difficult to apply the traditional bourgeois prescriptions to the present-day socio-economic situation in the continent's developing countries.

Taking these and other circumstances into consideration, the neo-colonialists are attempting to adapt the mechanism of state entrepreneurship to their own interests. In the models of development being preached by them the state is allocated a limited role of stimulating spontaneous market forces or filling up the "vacuum of private-entrepreneurial initiative." But as the national bourgeoisie becomes stronger, the zone of its intervention in the economy would have to be narrowed down.

Many bourgeois scholars, in objecting to the expansion of the state's direct economic functions, base their arguments on the concept that the state sector

in the developing countries, in their opinion, is either ineffective in general or less effective than the private sector. Moreover, the very category of effectiveness is treated exclusively from a commercial point of view. The most orthodox representatives of this school refer to the supposed "innate" unprofitability of the state sector's enterprises, justifying this on the grounds that, in the first place, the "discipline of the marketplace" does not extend to them, and, in the second place, operating by means of state rather than private funds weakens the motivation of the management personnel to maximize income, and, finally, these enterprises function under the conditions of political limitations which fetter the freedom of their actions.

Of course, it is not difficult to find cases bearing witness in favor of such an opinion. In the state sector of many countries the deficit seems to have become chronic. In Mali in 1980, which was considered to be quite successful for the state enterprises, their aggregate losses amounted to 9.3 billion Mali francs, or 6.8 percent of the annual circulation. In Senegal the losses by mixed companies during the 1970's amounted to almost 15 percent of the capital investments. In Sudan the deficit of the state enterprises for current operations (after the payment of taxes and the interest on loans) was equal to 42.7 million Sudanese pounds in 1979/80. The state infra-structural and many industrial facilities in Nigeria, Sierra Leone, etc. are "traditionally" operated at a loss.

And, nevertheless, the thesis of the innate unprofitability of state enterprises has been disproved in practice by those developing countries where not only individual production units but even entire sectors and, in certain cases (Ivory Coast, Egypt, Tanzania, Tunisia), even the state sector as a whole, are operating at a profit.

It is another matter that the total yield of state investments is still rather small. The accumulations of the state enterprises rarely exceed one or two percent of the GNP, while the share of the revenues from the state sector in the current budgets of 24 African states during the 1970's amounted, on an average, to less than six percent. Of course, at times the indicated share is higher on the whole, but such a result is achieved, as a rule, thanks to a limited number of enterprises. In certain cases these are facilities of the mining industry (petroleum extraction in Algeria, Libya, and Nigeria, copper-mining companies in Zambia), in others--financial institutions, traditional fiscal monopolies, or "marketing boards," engaged in selling agricultural products on the world market. The state manufacturing industry--that keystone of national development--has not yet become a reliable source of accumulations.

Moreover, the low level of income in the state sector conflicts with the strategy of the African states, directed at lessening the financial-economic dependence on the West and at taking all measures to activate the domestic impulses toward development--a strategy in the light of which there is a sharp increase for both an more effective utilization of resources brought in from outside as well as an expansion of their own base of accumulations.

Outstanding among the reasons for the unfavorable position of state enterprises is a complex of factors reflecting the over-all dependence of a developing economy on outside impulses for growth. This dependence is manifested at all



stages of the state sector's development--from planning new facilities to ensuring their operations. Furthermore, the state enterprises constitute the nucleus of the economy's export sector, the revenues from which are determined by business conditions in the world market.

If from the mid-1960's through 1973--1974 many African countries were characterized by a trend toward growth of productivity and profitability, from the mid-1970's on, due to a rise in prices on imported raw materials (especially on petroleum), semi-finished goods, spare parts, and elements of investment demand, along with an intensification of protectionism in the West, there has been a predominant trend toward a worsening of the production results of the state sector. As a result, even there where its position was relatively stable, the prospects are far from cloudless.

At the same time the income-producing ability of this sector is also being negatively affected by the "growing pains" and structural disproportions of state entrepreneurial activity: the imbalance between its social and economic aspects, the imperfections in its methods of price formation, and miscalculations in financing projects.

In the budget investments of the African states there is a great share of investments in the infra-structural facilities and the basic sectors of industry, marked by a high organic structure of capital and a slow turnover-rate of funds, and this has a negative effect on the profit norms. By means of state money in the developing countries completely new production lines are created, in connection with which the state bears significant "pioneering" expenditures. It is these production lines which are the first to encounter the problem of adapting up-to-date technology to local conditions, the shortage of qualified staffs of nationals, the need for further outlays in order to move products to the market. As a result, the assimilation of facilities is slowed down in comparison with analogous complexes in more developed countries, and the expenditures on "including" them in the economic structure increase substantially, leading to a general worsening of the indicator "capital--output."

However, we should not over-estimate the negative influence of the specific sectorial structure on the profitability of the state sector. In certain countries the facilities of the production infra-structure are not only successfully solving the problem of cooperating with the development of the national economy but are also thereby achieving a substantial yield. Obviously, the losses of most of the analogous enterprises must be explained by taking other factors into account (lowered rates, poor production organization, etc.).

The dimensions of the economies in the state sector are closely tied in with the policy of price formation. The transformation of price into an important element for regulating the reproductive process and affecting the social sphere requires scientific justification for price formation, its coordination with other aspects of economic policy.

Under the conditions of the developing countries it is obvious that price cannot precisely reflect the social value of a product as it takes form in the economy. But among the continent's young states an extreme leaning has been noted in this sphere toward the one-sided utilization of the price mechanism.

merely as an instrument supplementing and often substituting for the distribution of national income through budgetary channels.

The rapid swelling of "zones of absolute poverty" has compelled the authorities to have wide recourse to social maneuvering, including the fixing of firm prices on goods of prime necessity, and to cover the losses of the enterprises turning them out by means of budgetary state grants. In Egypt, for example, just the grants to enterprises under the jurisdiction of the industrial ministry increased from 6.2 million Egyptian pounds in 1976 to 102.4 million in 1978, while the number of enterprises being subsidized grew from 4 to 60. During the 1970's subsidies in Zambia increased 14-fold, practically equalling in volume the budgetary investments. Analogous tendencies are also to be observed in other African countries, particularly in those where the inflation rates are high. At the turn of the 1980's in the Ivory Coast, Gabon, Libya, Morocco, Tunisia, and Madagascar all types of subsidies absorbed 8--12 percent of budgetary revenues.

The attempt by the African governments to somehow support the standard of living of the poor and sometimes even the middle strata is fully understandable. But manipulation by means of prices requires care and forethought; it must not move to the background the other levers of influencing the social sphere. The experience of many of the continent's countries testifies to the fact that price controls in and by themselves are not always capable of restraining the rise of the high cost of living. Inflation pushes through a path for itself through the "black market," into which a considerable portion of the subsidized goods flows. As a result, concern for the consumer in practice is turned into a way of enriching speculators and second-hand dealers. At the same time deviations in prices from cost, by depriving the planning organs of reliable guidelines and enterprises--of necessary financial resources (budgetary grants, as a rule, do not fully compensate losses caused by price reductions), hinder reduction of the deficit by means of production growth.

Also in need of optimization are the relations with present-day, private-capitalist enterprise, including the foreign companies. Establishing reduced prices (which often do not even cover the production costs) on items being supplied to a given sector is deemed to be a necessary element for stimulating production, but often the rates herein are not differentiated depending on the specific group of consumers being targeted. If the cooperation of small-scale capitalist enterprise is appropriate, then, as the experience of many countries has shown, the artificial reduction of the expenses of large-scale, private business, since it does not lead to any noticeable animation of business activity, results in an intensification of the inequality in society and creates additional difficulties for financing development plans. On the whole, price formation on products of the state sector in the African countries has been characterized by a lack of any sort of methodological principles whatsoever, by a predominance of arbitrary solutions and short-term interests.

Under conditions of controls on domestic prices and confronted with competition along with unstable business conditions in foreign markets, the most important reserve for increasing the profitability of state enterprises is reducing production expenditures.

Among the causes bringing about their high level and--as a result--the low profitability of state enterprises, a particular place is occupied by the under-loading of production capacities, something to be observed not only in the state sector but also throughout all the industry of this continent's developing countries. The state sector's production potential is rarely more than half-utilized; on the average, the degree of loading industrial facilities varies from 20 to 40 percent.

According to UNIDO estimates, during the 1960's 54 percent of the under-loading of industrial capacities in the developing countries was to be explained by a shortage of raw materials, 25 percent--by marketing difficulties, and 21 percent--by a shortage of working capital. In comparing this data with materials drawn from a study of the degree of loading production capacities in the industries of Egypt and Tanzania, a study carried out at the end of the 1970's, it may be noted that the causes of the ineffective utilization of fixed capital assets remain the same as they were even two decades ago.

As was the case previously, the most typical cause is the poor supplying of raw materials and semi-finished goods. In Egypt half of the state-run industrial companies which were surveyed cited the unfavorable influence of this factor. In Tanzania the shortage of raw materials had a negative effect on the activities of 32 out of the 40 industrial enterprises which were studied (including the private ones as well); moreover, 28 enterprises cited the shortage of raw materials as the basic cause of the deficit of foreign currency. Difficulties in marketing products because of insufficient demand were experienced by 25 percent of the Tanzanian companies. One out of every three Egyptian enterprises cited a deficit of working capital.

Many of the problems indicated above trace their origin back to the stage of planning and building the state enterprises. It was not by chance that most of the companies in Egypt and Tanzania pointed to unsatisfactory pre-investment studies. One can cite quite a few examples of building "prestige-type" facilities in the state sector, poor deployment of enterprises, mistakes in selecting the sources of raw materials and in evaluating the prospective demand for products. The western consulting firms which carry out the planning are often to blame for this.

A role of no small importance in the increase of expenditures and reduction of the state sector's profitability are played by factors of an organizational nature: poor coordination of the activity of various administrative units, the replacement of genuine controls by petty interference in the everyday operations of the state enterprises, bureaucratic red tape in the adoption and confirmation of decisions. It is a common practice to use in the state sector an excessive number of workers and office employees, a number not justified by the needs of production.

Of course, because of the interweaving of demographic, social, economic, and other factors, the problem of employment in this region has taken on a menacing acuteness. The authorities cannot fail to pay heed to this, and they are placing particular hopes precisely on the state sector. But, frequently following the path of least resistance, the supervisory organs directly prescribe to the state sector's enterprises and institutions that they hire an excess



number of workers, for the most part, unskilled. As a result, with the considerable under-loading of production capacities and the shortage of skilled personnel, a "swelling" is to be observed in the auxiliary services and the staffs of the lower-ranking administrative personnel, those which have an extremely indirect relation to the production process. All of this has a negative effect not only on the structure and size of the expenditures but also on labor productivity, discipline, and--in the final analysis--on the profitability of the enterprises.

Among the causes retarding the growth of the state sector's income, the problem of financing it has moved to the forefront during the last few years. The insufficiency of budgetary allocations and means of self-financing has compelled enterprises to cover their deficits by means of loans in the banking sphere. Moreover, at times use is made for investment purposes not only of medium-term but also of short-term commercial credits. Increasing the proportion of borrowed funds within the capital structure draws off considerable amounts to amortize the indebtedness and pay off the interest, hindering, in the final analysis, the state sector's opportunities in the field of accumulation.

Nevertheless, a critical attitude must be taken toward the declarations of the enterprise directors concerning a shortage of funds. As studies have shown, the working-capital structure of these enterprises is far from optimal. Practically all the plants and factories (including the private ones) are characterized by considerable amounts of all kinds of reserve supplies, something which is connected with insufficiencies in the supply system. The proportion of funds on hand in working capital exceeds by far the norms which have been adopted in the industrially developed countries. Often to be observed are: the padding out of the estimated costs of projects, the construction of new enterprises when under-loaded capacities are available in the same sector, and direct violations of financial discipline. Appointments to key administrative posts are often influenced by political, including tribal, considerations. Should we be surprised that the level of competence of such "appointees" does not correspond to the duties of the positions which they occupy?

Unfortunately, in a number of countries the state sector is not immune from corruption and direct financial abuses. But, despite the assertions of its opponents in principle, these are not at all vices which are "organically inherent" to state entrepreneurship. It is quite often the case that the persons involved in bribing officials in the state sector are trans-national corporations, which, as is well known, have long ago adopted this, if we may so express it, method of competitive struggle to their arsenal.

And so improving the methods of financing the state sector is, evidently, not so much a matter of increasing the budgetary allocations (which, in many cases, is simply impossible because of the budget deficit), as it is of instituting order in the use of existing funds by means of intensifying the financial controls and decisively interdicting corruption and embezzlement of state property.

A factor of no little importance in the low profitability of the state sector consists of the fact that, in the evaluation of its effectiveness, cost criteria have been relegated to the background for a long time. To a large extent,



this was a result of an uncritical borrowing of Western prescriptions for economic development, which relegated an auxiliary role to the state sector and which denied the very category of profitability within the framework of the state-run economy.

In contrast to these views, Soviet economic science, while recognizing the difference in the functions of profits in the state (planned) and the private sectors, asserts that, in order to carry out a multi-faceted evaluation of the state sector's activity within the developing countries, it is necessary to pay heed both to its social as well as to its economic effectiveness.

In the mid-1970's an international center for research on the problems of state entrepreneurship in the developing countries was created in Ljubljana (Yugoslavia). The seminar which was held there in June 1981 evaluated the financial position of the state sector in these countries as "cloudy." In speaking about the necessity for adopting effective measures, the seminar participants emphasized that, despite all the importance of the social motives, the criterion of economic effectiveness must, however, not be downgraded; this means such cost categories as profits and prices. In the UN's recommendations on the problems of strengthening the state finances for the 1980's it is noted that for many of the state sector's commercial and industrial enterprises the chief goals are the growth of their production effectiveness and profitability, along with an increase in their contribution to the process of national capital-formation. In September 1982 the Africa Institute of the USSR Academy of Sciences, in conjunction with the Educational and Scientific Research Institute of the UN, organized a seminar in Moscow, devoted to the role of the state sector in Africa's socio-economic development. According to the general opinion of the scientists from the Soviet Union, Hungary, and the African countries participating in the work of the seminar, ensuring the profitable functioning of the state sector is an important link in solving the problems which confront the continent. These wishes have not remained without a response. At present in many African countries practical measures are being undertaken in order to increase the profitability of enterprises and reduce their dependency on the budget.

Of course, the achievement of a rational balance between the social and the economic functions is not an easy task. Many enterprises which serve agricultural production or collaborate in developing backward regions, factories and plants turning out "currency" products or items of prime necessity, the social infra-structure, still cannot key themselves on profits. Here it is more important to achieve and increase in goods production, to raise labor productivity, and reduce production expenditures. But these exceptions do not negate the general rule: the state sector can successfully solve the problems confronting it only if it has at its disposal its own sufficiently firm financial base.

Within the framework of improving the mechanism of state entrepreneurship it is very important to find the optimal correlation between centralization and autonomy in various aspects of production-financial activity. In recent times calls are heard more and more often for giving enterprises "free hands," for removing the "excessive" controls imposed upon them by the state. Resounding, in particular, are demands to expand the financial autonomy of the enterprises, to leave them a greater share of the profits, to grant them the right to

independently attract additional financial resources in the capital market. Such a model, which essentially copies the organizational forms of private business, hardly corresponds to the realities of the African continent.

The necessity for speeding up the modernization of the economic structures and for eliminating archaic social relations while there is a shortage of all kinds of resources, a deficit which is characteristic of a poorly developed economy, requires a centralized regulation of the material and financial flows, which, however, should not be identified with voluntarism and naked administration. While functioning under the conditions of the rule of commodity relations, enterprises cannot get by without a certain amount of freedom to maneuver; the degree of this is determined by the level of development of the specific national economy and by the place being occupied within it by this or that economic unit. In the opposite case there would arise the danger of a break between state entrepreneurship and the mechanism of national planning.

In Africa, there is still going on, to a large extent, an empirical groping about for the forms to be used for organization state production, adequate to the level of the development of the production forces and to the tasks of economic construction. A feeling of responsibility for the results of the business at hand has not yet become the norm for the state sector's management personnel, and, because of this, the retaining of a "guardianship" over the enterprises is still obviously inevitable. While ensuring the best balance between deficit resources and their more rational distribution in accordance with the goals of the national developmental strategy, such a procedure does not exclude, of course, seeking out acceptable variants for combining centralization and autonomy, the gradual expansion of the rights of enterprises, as their financial position becomes stronger and as they accumulate experience.

Improving intra-plant planning, converting to a better-grounded price formation, optimizing methods of financing and controls over the expenditure of funds, improving material and technical supply, the struggle to economize on deficit raw materials and to have a thrifty attitude toward equipment, strengthening labor discipline, and interdicting malfeasances--this is a sample list of measures capable of improving the production-financial results of the state sector's enterprises and of weakening the negative influence on the economy of the objective difficulties of growth.

Ways and methods of solving the problems which confront the state sector are pre-determined, to a large extent, by the general developmental orientation of this or that country. The subordinate position of the state sector within the socio-economic structure of the countries which are evolving toward capitalism substantially distorts even the very scale for evaluating its activity. The bourgeois and pro-bourgeois ruling circles cannot allow significant and excessively prolonged losses by the state-run enterprises, which would burden the budget and hinder the state sector from carrying out its own functions with regard to creating normal conditions for capitalistic reproduction. But these circles do not wish too obvious a manifestation of the advantages of state entrepreneurship. As a result, the calls for increasing the state sector's profitability often remain merely declarations and are only weakly supported by actual deeds.

The consistent implementation of the principle of the profitable functioning of the state economy, the organic tie-in between this principle and the solution of the general-national strategic problems are possible in countries with a socialist orientation, where the state sector's development is being carried out on a well-planned, democratic basis, where the task has been posed of building a society wherein the "surplus output goes not to the class of the property-owners but to all the working people and only to them."\*

A rise in the effectiveness of state entrepreneurship in Africa's developing countries is assisted by their cooperation with the USSR and the other socialist countries, which, in contrast to the Western powers, give priority to developing precisely this state sector, according great importance not only to expanding its material and technical base by means of building new facilities but also strengthening its financial position and increasing the profitability of the enterprises being built with their cooperation.

With this goal in mind, the forms and conditions of cooperation are constantly being improved. More and more widespread use is being made of compensation-type agreements, in accordance with which the cost of equipment, services, engineering documentation, etc. is partially or fully compensated for by deliveries of products from the enterprises created with the assistance of the socialist countries. Thereby, to no small degree, the problems of marketing sales are solved, and the prerequisites for the normal loading of capacities are ensured.

A factor of no little importance in facilitating the rise in the effectiveness of state entrepreneurship in the African countries is also the fact that, in the process of building new facilities and putting them into operation, the Soviet Union and the other socialist countries are carrying out on a large scale the training of local staffs; they are transmitting technical knowledge and managerial experience to them. As a result, this brings about an increased role for the state sector as a generator of progress not only in the economic sphere but also in the social and cultural areas.

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\* LENINSKIY SBORNIK, Vol 11, pp 381--382.

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## INTERNATIONAL

### GROWTH OF TURKISH ARMY ROLE IN POLITICS SURVEYED

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 7, Jul 84 pp 15-17, 39

[Article by G. Starchenkov, candidate of economic sciences: "The Role Played by the Army in the Socio-Political System"]

[Text] From 1960 through 1980 the Turkish Army carried out three coups d'etat. Each intervention of the armed forces introduced multi-faceted political and social changes in the country's life and particularly substantial ones--after 1980. At the present time, despite Turkey's return to the civilian forms of rule, the Army has retained the role of an extremely important socio-political factor.

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With regard to its social make-up, the Turkish Army, like the armies of most developing countries, is extremely differentiated. The enlisted men are recruited, for the most part, from the working people of the cities and villages; about half of them do not know how to read and write. These enlisted men usually have a good idea of what price increases, poverty, and unemployment mean. During the period of their service they master the fundamentals of reading and writing and sometimes even a field of specialization which can be utilized in civilian life. At the same time they absorb the principles of military discipline, of unconditional obedience to the higher ranks. By the time their period of service is at an end these soldiers and sergeants have broken away, to a certain extent, from their own social environment and have been imbued with the corporate spirit.

The middle ranks of the officers are composed of the better-off citizens of the country--petty and middle-level entrepreneurs and traders, well-to-do peasants, office workers, and also the privileged portion of the working class. The junior officers have graduated from elementary or secondary school, and they have a definite idea about the position of various strata of the population. Their political views vary within an extremely wide range: from extreme left-wing to extreme right-wing tendencies. The existing system of the "table of ranks" limits their service advancement (in rare instances members of these groups of the population serve until being promoted to the rank of colonel).

A very particular place in the Army is occupied by the higher-ranking officers, made up of the most-privileged and best-educated part of the society. After



Turkey joined NATO in 1952, on the average approximately 20 percent of the state budget has been allocated to defense needs (in 1983 this figure was 22 percent). A significant share of these allocations goes directly or indirectly into strengthening the position of the high command: the senior officers receive higher salaries than the wage level among analogous categories of state civilian officials; they make use of army super-markets, special rest camps, belong to privileged military clubs, etc. All this has served as the basis for the rise of a "military elite" and its isolation from the remaining portion of the officer corps.

The formation of this "elite" has also been facilitated by the circumstance that, since the 1950's, a significant portion of the higher-ranking officers have begun to acquire their military education or to complete training courses in the United States. This education, in addition to military training, pursues far-ranging goals. In the first place, the Turkish officers are oriented toward the Western scale of values, the "American way of life." Studies have shown that now the process of Westernization has almost completely engulfed the upper portion of the command staff, whereas the remaining portion of the officer corps has been encompassed by it only to an insignificant extent. In the second place, the instruction in the United States is aimed at training potentially loyal state functionaries. The former secretary of defense of the United State, R. Macnamara, has admitted that the "training of generals and admirals is directed at making it possible for them to take power in their own countries."

During the period of the one-party rule by the Republican People's Party (RPP) the Army commanders always kept themselves in view, although they did not participate directly in political life. However, with the rise of the multi-party system (1946) and particularly with the coming to power of the Democratic Party (DP), headed up by A. Menderes (1950--1960's), the Army occupied quite a modest position in the social structure. Moreover, the government, through the chief of the military command, began making appointments to and transfers within the Army, which wounded the self-pride of the high-ranking officers. In addition, it was precisely during the 1950's that there occurred a sharp activation of big private enterprise, supported by state credits and American aid. Prime Minister A. Menderes delivered such widely disseminated appeals as the following: "Let's create a million in each quarter!" and "Let's turn Turkey into a little America!" This was a "golden decade," when the agrarian and industrial bourgeoisie, by raising the level of exploitation and extending it to new strata of the population, enriched themselves to a phenomenal extent. But in this process the military ranks became "observers from the sidelines."

Dissatisfaction with the results of the government's activity, a dissatisfaction which, by the end of the 1950's, had encompassed broad popular strata, also extended to the Army. Among the military and middle-ranking officers a Committee of National Unity (CNU) was set up, and in May 1960 it carried out the first coup d'etat. The DP was banned, and A. Menderes along with two of his ministers was executed. The CNU, which was headed up by General G. Gursel, fired 235 generals and admirals along with 5,000 officers who had been sympathetic to the overthrown government. In 1961 a new constitution was adopted, which granted a number of important rights and liberties to the working people. After 1961, when parliamentary elections were held, and G. Gursel was elected

as the country's president, power passed over to the political parties, and the military gradually returned to their barracks.

The "uncontrollable" actions of the CNU had frightened the big native capitalists. Turkish businessmen understood that they would have to share a piece of the "pie" with those who had real power at their disposal. Soon after the coup d'etat the largest entrepreneurs, V. Koch, K. Tashkent, and others, hastened to set up the joint-stockholding Army Mutual-Aid Society (AMS), which began to accumulate the officers' ready money. Somewhat later this society's shares were made available to soldiers and civilians. The society's funds grew rapidly, and soon it unleashed an entrepreneurial activity in industry, construction, and trade. A portion of the capital has been earmarked for expanding the sectors of the military industry. "From now on," wrote one of those who has studied the Turkish Army, M. Bozdemir, "the officer corps has ceased to be a passive observer; it has become a financial accomplice of the bourgeoisie and has acquired a taste for investments." Indeed, the incorporation of most of the military personnel into capitalistic enterprise has changed the features of the Army and the nature of its actions.

Thus, in 1971 the high military command overthrew the government of S. Demirel, the leader of the Justice Party (PJ), who was charged with inability to control the worsened domestic political situation. However, none of the members of the deposed government were brought to trial. Under the Army's supervisory control a new cabinet of ministers was set up, which unleashed a struggle against "extremist" left-wing and right-wing movements. In fact, the blow was delivered primarily against the left-wing, democratic forces. The military command introduced a number of reactionary amendments to the articles of the constitution. In 1973, after elections to the new parliament, the Army considered its mission, if not accomplished, to be finished.

At the end of the 1970's Turkey, having followed the countries of the West into a period of economic crisis, again began to experience the consequences of a decline in production, a rise in prices and inflation, and an unprecedented increase in the number of unemployed persons. The situation was exacerbated by the polarization of society, by bloody clashes between right-wing and left-wing extremist factions. Under these conditions the Army carried out its third coup d'etat. The government of S. Demirel was overthrown for the second time, and power in the country passed over to the Council for National Security (CNS), which included the chief of the general staff of the Turkish Army, K. Evren, and the four commanders of the main branches of the military services as well as the gendarmes.<sup>1</sup>

In contrast to 1971, the Army command acted more decisively and in a more purposeful manner. As a result of three years of rule (after the 1960 and 1971 coups the military controlled power for about a year and a half) the groups which suffered the most turned out to be the working class and the intelligentsia (workers' parties, the Confederation of Revolutionary Workers' Trade Unions, the Teachers' Union, and creative associations were banned, while many progressive leaders were sentenced to lengthy prison terms). After the adoption of a constitution in 1982, substantial limitations were placed on strikes, political meetings and demonstrations, as well as freedom of speech and the press.

The CNS and the government created by it, headed up by retired admiral B. Ulusu, carried out a number of important measures directed at weakening possible opposition in the future, at strengthening the political positions of the Army or of organizations which express its interests. With this goal in mind, all political parties, including the bourgeois ones, which had previously been in existence and which had "discredited themselves," were banned and dissolved. The CNS, paying heed to the continuing influence of former state leaders and the possibility of their joining new parties, prohibited them from taking part in political activity for various periods of time.

In the spring of 1983 the military command permitted new political parties to be created. However, it had previously declared that parties would be subject to state controls (particularly the sources of their monetary incomes), that their programs, charters, and leadership staffs must correspond to the decrees of the CNS and the articles of the new constitution. On this basis, out of the 15 political parties which were created, by the parliamentary elections of 6 November 1983 only the following three were permitted: the Fatherland Party (PF), the People's Party (PP), and the Party of Nationalist Democracy (PND). Moreover, 244 of the candidates for deputies to the mejlis [parliament] were vetoed (PP--89, PF--81, and the PND--74), and when they were replaced, even their "doubles" were subjected to 21 vetoes (11, 8, and 2 respectively).

During the course of the election campaign the military command rendered aid to and praised the PND, headed up by the retired general, T. Sunalp. The then prime minister, B. Ulusu declared that he would be voting for the list of candidates presented by this party. The Army almost openly proclaimed its intention to transfer the entire fullness of its power to the PND.

However, victory in the election was gained by the PF, headed up by T. Ozal, which received 45.1 percent of the votes and 211 seats<sup>2</sup> in the unicameral, 400-seat mejlis. Coming in second was the PP, led by N. Jalp, which gained 31.5 percent of the votes and 117 seats in the mejlis. The PND, on which the military had placed its bet, got only 23.3 percent of the votes and 71 of the deputies' seats. The independent candidates did not receive a single seat, and one mandate remained vacant. In accordance with the election results, K. Evren entrusted the formation of a government to T. Ozal.

Despite this defeat, the military have quite a firm position. Thus, with the adoption of the constitution, K. Evren was elected president of Turkey for a seven-year term. Article 101 of the constitution provides for the possibility of electing the following president not from the members of parliament (i.e., in particular, from the Army command). Article 104 lists the new, numerous functions of the president, a considerable portion of which, in accordance with the previous constitution, were the prerogative of the council of ministers or the mejlis. The president appoints the highly placed officials, including the members of the Supreme Court and the university rectors. In a number of instances he can dissolve the parliament and set new elections. He has been granted the right to set a referendum on the introduction of amendments to the constitution. Members of the CNS (which was abolished from the moment when the parliament was convened) also acquired administrative functions; for a six-year term they all became members of the Presidential Council with consultative



rights and the rights of parliamentary immunity. Furthermore, the CNS literally a few hours before being dissolved extended martial law in the country for four months, thereby underscoring the Army's importance during the period of civilian government.

The scope of activity of the Army's "child"--the AMS--was also noticeably expanded. If in the 1960's the Society's capital increased from 44 million to a billion liras, during the recent decade it grew almost ten-fold. The Society has acquired "daughter firms" and new partners (in particular, along with the "Army Fund" it participates in line with the state sector in building military enterprises).

During the years of military rule there was a noticeable expansion in the amount of Turkey's military ties with NATO, especially with the United States. Let us recall that the intensity of American-Turkish military contacts had been reduced since 1974, when the Turkish Army, taking advantage of a provocative, right-wing putsch in the Republic of Cyprus, made a landing on the island and seized a third of it. At that time the American government, fearing a break-down of NATO's south-eastern flank, halted its military deliveries to Turkey. In response, the Turkish government closed down the American military bases on its territory (the NATO bases continued to function). Gradually, however, relations were regularized. The United States renewed its military aid, and Turkey opened up the American bases (they have come to be called bases for joint use) on condition that Turkish officers will be assured of access to the intelligence data acquired by the American personnel.

An important impetus toward the development of American-Turkish military co-operation was provided by the anti-monarchist revolution in Iran (1978--1979), which deprived the United States of an important ally. A portion of the American equipment from its "early-warning stations" was transferred to bases on Turkish territory. But the United States became wary about the rapid growth of domestic political tension in Turkey, something which could have brought on an unforeseen development of events. Therefore, it gave the "green light" to the military coup and supported the subsequent measures of the CNS.

In 1981 an agreement went into effect on "joint defense": it provided, in particular, for the use of Turkey's airports and ports by American military airplanes and ships. As a sign of recognition, the United States increased the volume of military and economic aid to Ankara to 800 million dollars in 1982 (with respect to the total American aid received, Turkey ranked third after Israel and Egypt).

At the end of 1983 the government of E. Uluş signed (thereby presenting the government of T. Özal with a fait accompli) a new agreement with the United States, in accordance with which Turkey would buy 160 American F-16 fighter-bombers at a cost of 4.5 million dollars. The agreement also provides for the creation of new U.S. bases on Turkish territory and a general modernization of the Turkish Army. At the same time Turkey gave its permission for the United States to use the military-air base at İnçirlik for providing support to the American units of the so-called multi-national forces for maintaining peace in Lebanon. As noted in the declaration by the Communist Party of Turkey, "the arming of Turkey is directed at increasing the NATO strike force in order



to protect American interests in the Middle East. This agreement serves American imperialism, which is attempting to turn the Middle East into a region of political and military confrontation, to utilize Turkey as its military staging area."

Other Western European states are also acting along these same lines. The FRG, for example, in accordance with a 1980 agreement, is furnishing Turkey with military-technical aid amounting to 600 million marks. It is delivering 77 Leopard tanks, Milan anti-tank rockets, and at a local plant it is modernizing the M-48 tanks which are in the arsenal of the Turkish Army. The famous Mercedes firm is planning to build a plant for producing military motor-vehicles and engines. In accordance with a 1983 contract with Britain, Turkey is purchasing 36 Rapiar missiles designed for use against low-flying targets. All these contracts and agreements, by impelling Turkey along the path to militarization, objectively intensify the domestic political tension in the country and support the multi-faceted influence of the Army.

Amid the extremely complex and potentially explosive circumstances of the Middle East literally during the last days of the rule by the military command the proclamation of the "Turkish Republic of Northern Cyprus" took place. If in 1974 the partitioning off of the island's northern part occurred de facto, now it was accomplished de jure. Although the United States condemned this action in words, this time it did not impose any sanctions whatsoever against its faithful ally--Turkey. And Turkey itself, in immediately recognizing the "new state," considered that the United States and certain Islamic countries would follow its example.

The new government of T. Ozal affirmed its own adherence to the Western world and its intention to strengthen its ties with the NATO bloc and the United States. At the same time, confronted by a series of "faits accomplis," it has far from always expressed satisfaction with the things which it has inherited. T. Ozal is disturbed, as the newspaper *DYUNYA* wrote on 29 October 1983, by the fact that "Turkey, like the United States, contributes three percent of its Gross National Product to NATO, whereas the per capita income in Turkey is only one-tenth of what it is in the United States." "Therefore," T. Ozal has stated, "such high expenditures are a heavy burden for Turkey." In this connection, he declared that the responsibility of the cabinet of ministers extends to the entire sphere of policy, including questions of defense. It is understandable that the views of the military command cannot always coincide with the utterances of the prime minister.

The country is now witnessing the reactivation of those political parties which did not obtain permission to take part in the parliamentary elections but which have been permitted to participate in the municipal elections of autumn 1984. Behind the scenes the former leaders of the banned parties and public organizations have continued to operate, and through "trusted persons" they have posed the question of a "general amnesty," of revising a number of the CNS's decrees and those of the organs set up by it. Creeping into the press more and more frequently is criticism of the role which the Army has come to play in the country's political life. Obviously, 1984 will show along what lines events will develop in the immediate future.

#### FOOTNOTES

1. Regarding the causes of the coup d'etat and the subsequent events see AZIYA I AFRIKA SEGODNYA, No 10, 1980; No 11, 1981; No 10, 1983.
2. Turkey utilizes the majority system, which does not provide for a correspondence between the shares of the votes cast and the number of deputies' seats received.

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## INTERNATIONAL

### PHILIPPINE ECONOMIC PROBLEMS DESCRIBED

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 7, Jul 84 pp 16-20

[Article by V. Arkhipov, doctor of economic sciences: "The Economy of the Philippines at a Difficult Stage"]

[Excerpts] The 1970's witnessed a relatively rapid and effective development of the Philippines. During this period the country achieved definite positive shifts in the development of its productive forces and thereby in strengthening its national state system. There was considerable growth in its industrial potential, which, moreover, changed its qualitative characteristics as well. The manufacturing industry, which was virtually lacking during the colonial period, became the economy's leading sector. The role played by comparatively large-scale industry increased steadily and rapidly at the expense of medium-sized, small-scale, and cottage types of industry. In heavy industry the decisive positions were occupied by the electronic and electrical-engineering, chemical, and metal-working sectors. A large place in the program of the Philippines' economic development has been allotted to industrialization, which has provided for the construction and putting into operation a number of important heavy industrial facilities up until the mid-1980's.

The beginning of the current decade did not bring the Philippine economy any improvement. On the contrary, a number of factors facilitated the speed-up of the development of negative processes. The emergence during the years 1980--1982 of an acute economic crisis in the developed capitalist countries led to a fall of prices on the principal types of Philippine exports (sugar, coconut oil, and copper), and, despite the forced increase in the physical volume on a majority of commercial items, their total value began to decrease year after year. This coincided with a new period of more expensive imported petroleum (in 1980 alone its price doubled). As a result of a sharp increase in the balance of trade and payments deficit, a considerable worsening occurred in the Philippines' economic and currency-finance situation.

There has been a substantial decline in the growth rate of the Gross National Product (GNP). In 1981 this indicator increased only 3.7 percent, and in 1982 only by 2.6 percent, which was the lowest growth rate in two decades. The development of the national economy during these years proceeded exclusively by means of production aimed at the domestic rather than the foreign market. In 1981 there occurred a reduction in the share of capital accumulation in the GNP by 0.4 percent, as compared with 1980, while in 1982 it increased

by only 1 percent. For the first time since the late 1960's, when annual computations of the volume of the product sales of the Philippines' thousand leading corporations began to be conducted, this indicator in 1981 was expressed in a negative amount. Because of the low prices in the international market on copper, nickel, and a number of other metals, the mining industry found itself in the most difficult position; in 1982 its production volume was cut back by 1.5 percent. Since it did not wish the large enterprises of the export sector to go bankrupt, the Philippine government resorted to subsidizing them.

The manufacturing industry turned out to be in a somewhat better position, but even its growth rate in 1982 amounted to only 2.4 percent, as contrasted with 3.4 percent in 1981. Reduction of state investments along with a decline in the activity of the private sector led to a substantial decrease in the growth rate of construction work--to 4.4 percent in 1982, as contrasted with 9.7 percent in the previous year. The decline of economic activity in the country already at this stage caused a rapid growth of unemployment, which was high even without this.

However, during the period of serious difficulties experienced by the Philippine economy since the beginning of the current decade the year 1983 proved to be the most unfavorable one. The increased action of the above-mentioned, negative, predominantly foreign-economic, factors, compounded by an acute worsening of the domestic political situation during the second half of the year, spilled over into an extremely severe currency-finance crisis, and this inflicted an exceptionally heavy blow on the national economy.

Already by the end of the first half of 1983 the Philippine economy had entered upon a period of acute crisis. In an attempt to slow this down, the government resorted to a series of extraordinary measures: it refrained from implementing a portion of the above-mentioned program of industrialization (the sum of 6 billion dollars which had been provided for its needs was cut in half at the price of freezing five major projects); it abolished the subsidies on petroleum products being sold on the domestic market; the peso was devalued from 9 to 11 per U.S. dollar. The above-mentioned measures, calculated both to considerably cut back state expenditures as well as to stimulate the influx of export revenues, did not, however, yield the desired result, and during the second half of the year the country's economic position became extremely complicated.

The mass demonstrations in the Philippines which followed upon the assassination in August 1983 of the leader of the opposition and former senator, B. Aquino, reflected the dissatisfaction with various aspects of governmental policy. Moreover, there was a disruption of the relative equilibrium in domestic political life, which led to the intervention of entrepreneurial circles. With or without this acute shortage of currency resources in the country native and particularly foreign businessmen hurriedly began to take their capital out of the country. By the official data, just during the period from July to September 1983 some 200 million dollars were shifted out, and, according to banking estimates, this figure was considerably greater. Such a new, extremely dangerous phenomenon, moreover, stimulated the currency-financial instability and the intensified lack of confidence in the Philippines' ability to make payments from the point of view of the creditors--the international financial



institutions and large private banks, which not only refused to grant new loans but also stopped making payments on previous granted ones. All of this brought about a precipitous worsening in the balance of payments, which for the three months prior to the end of 1983 showed a deficit of 1.3 billion dollars, as compared with 1.2 billion dollars for all of 1982. In such a situation currency reserves were rapidly being exhausted.

In a move calculated to stem the outflow of capital abroad, to expand the export of goods, and further increase the transfers of the incomes of Philippine workers and specialists employed abroad, the government in October 1983 resorted to the next official devaluation of the peso (the second in the course of the year), this time lowering its exchange rate to 14 to the U.S. dollar (on the eve of this devaluation the "black-market" exchange rate fell to 20 to the dollar). Thus, from December 1982 through October 1983, i.e., over a period of 10 months, the official exchange rate of the peso declined by 67 percent.

Under the conditions of the extremely distraught currency-financial situation, however, the devaluation did not have any favorable results. The situation continued to worsen. The loss of the national currency's value gave a new impetus to inflation and to price increases on various goods and services. In particular, there took place the next jump in prices of petroleum products and, accordingly, in rates on electric power, transportation, etc. Prices on consumer goods increased. At the end of November 1983 the government proceeded for the second time in a year to raise the retail price on rice, a price which it controls, from 3.3 to 3.8 pesos per kilogram. Despite repressive measures by the government, merchants, in anticipation of further price rises on consumer goods, resorted to mass hoarding of various types of goods.

The devaluations of the peso also brought about price rises on imported goods for production purposes (equipment, raw materials, spare parts), which caused price increases on many goods as well as a reduction in the competitiveness of Philippine products on the foreign markets. It was anticipated that during the first quarter of 1984 the army of the unemployed would add another 68,000 persons, unless the industrial enterprises at which they work receive imported raw materials. The difficulties have also been exacerbated by the fact that, under the conditions of a shortage of liquid assets, the banks as early as November 1983 raised their interest rates to 20--26 percent per annum for their top clients. Obviously the second-rated borrowers would have to pay even more, if indeed they were able to obtain any credits at all.

In attempting to put a stop to the rapid exhaustion of currency reserves, the government in September 1983 introduced strict limitations on imports, encompassing 273 trade positions by them, including several very important types of consumer and producer goods. These measures, along with the devaluation, effect facilitated a certain improvement during the third quarter in the status of the trade balance (exports grew by 12 percent, while imports decreased by 5 percent), but the negative influence of such factors as the reduction in the incomes from foreign loans and the mass demands from foreign creditors on short-term loans was a source of the further worsening of the currency situation.

As a result, in October, when the balance of payments deficit reached 2,050 million dollars, i.e., in just two weeks it had increased by 750 million dollars, while the currency reserves declined to 600 million dollars, which constituted only 7.7 percent of the total annual imports of 1982, the Philippines was compelled to have recourse to an extreme measure--to declare a moratorium, i.e., to acknowledge itself to be unable to make payments on its foreign financial obligations. It appealed to all its major creditors with a request to agree to a three-month postponement of accounts on the capital sum of the debts, payment on which was scheduled to be made during the course of the ensuing 90 days. This indebtedness was basically a short-term one. The creditors were compelled to accept this demarche of the Philippine government. The latter also directed a request to the IBRD and the IMF to immediately finance the long-term and especially the short-term needs of the country. These as well as other major capitalist creditors were in no hurry to meet the Philippines half-way: negotiations assumed a protracted nature. Nevertheless, in Manila they are hoping to receive from the IMF an over-all total of 650 million dollars before the end of 1984. But, according to official data, during the course of this year the country will need foreign loans amounting to a total of 4 billion dollars. In banking circles, however, there is a prevalent opinion that the Philippines will need approximately 7 billion dollars.

Under the conditions of the virtually complete exhaustion of the national currency reserves and difficulties in ensuring new foreign loans, the Central Bank of the Philippines by the end of the year had not only taken under its direct control the sphere of currency accounts from abroad but had almost completely monopolized it.

Thus, one of the most acute economic problems of the Philippines is the problem of foreign loans and foreign indebtedness. According to refined data, at the beginning of 1984 it amounted to a total amount of 24.6 billion dollars. Of these, the term for payments on loans amounting to 15 billion dollars has come due or will fall due in the near future. Since it is incapable of paying off these debts, the Philippine government has declared that it is counting on a postponement of this enormous sum (61 percent of all the indebtedness) lasting a minimum of three years. This forced step has placed the Philippines in the same group with such biggest debtors in the world as Brazil and Venezuela, who are insisting on postponement of their foreign payments of amounts totaling 17.9 billion and 16.3 billion dollars respectively. The Philippines' foreign debt includes the obligations of 5,000 primarily private borrowers to 400 banking institutions. However, almost four-fifths of the term-type indebtedness is accounted for by the state. Nevertheless, the Philippines considers that it will manage to continue paying interest on its foreign loans.

The existing macro-economic indicators on the status of the Philippine economy for 1983 testify to the exceptional strength of the crisis which has gripped it. The growth rate of the GNP was expressed in an unprecedentedly low amount --1.4 percent, the balance of payments deficit by the end of the year had risen to 2.9 billion dollars, while the currency reserves amounted to merely 900 million dollars. In 1983 for the third year in a row there occurred a decrease in the value of the Philippine exports.

It is undoubtedly true that the grave economic situation of the Philippines has been exacerbated in the most direct way by the selfish policy of the foreign capitalists, the policy of dictating its wishes which has been conducted by the Reagan administration with regard to the developing states, including the Philippines. The Philippines has turned out to be among those developing countries which have become deeply integrated into the world capitalist economy and which, to the greatest degree, have fallen under the influence of the economic crisis of the very early 1980's. It is thought in the difficult situation which has taken shape one of the methods to ameliorate it would be a more active diversification of the country's foreign-economic ties, including ties with the socialist states.

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ISLAM BELITTLED AS SOCIO-ECONOMIC IDEOLOGY

Moscow AZIYA I AFRIKA SEODNYA in Russian No 7, Jul 84 pp 26-29

[Article by D. Yeremeyev, doctor of historical sciences: "Islam--The Ideology of a Multi-Structured Society"]

[Excerpts] Like any religion, Islam is not only a profession of faith. It is a broad-based system of a world outlook, having its own philosophy, ideology, law, and its own concept of the ideal way of life. As an ideology, Islam is multi-faceted. In the modern-day Moslem countries political leaders from directly opposite camps rely on its ideas and base their own actions on its philosophical and legal positions. Thus, for example, in Saudi Arabia or Pakistan the reactionaries support Islam in all ways and have armed themselves with its dogmas in the struggle against the progressive forces. At the same time, however, a liberation movement can be launched under the banner of Islam, as was shown by the initial phases of the anti-monarchist and anti-imperialist revolution in Iran. In some countries the ideological arguments of Islam serve to protect the social privileges of the bourgeoisie, while in others--the foundation of the rights of feudal lords. Finally, many progressively minded ideologists are attempting to combine Islam with socialism, to create a hybrid doctrine of "Moslem Socialism," treating early Islam as a movement of a socialist nature. Moreover, it is extremely indicative that all the Moslem ideologists--from right-wing to "left-wing"--seek out ideological support not in contemporary Islam but in its original version. The Moslem reformers--"fundamentalists" or "modernists"--turn, no matter how paradoxical it may seem, to the most archaic period of this religion, to early Islam, to the "Islam of Mohammed" (by the way, this is not new at all: it dates back to the Wahhabis, the 18th-century "Puritans of Islam").

But just what is it about the early Islam which attracts the Moslem ideologists? Why is it this which answers, as it seems to them, the completely new and different social demands? Seeking out the answers to these questions leads the researcher to the period when Islam emerged, to an analysis of the theories explaining the origin of this religion. But there are quite a few such theories, even in Marxist Islamic scholarship. Their authors have found the social roots of Islam in the most diverse formational bases: there are "merchant-capitalist" (N. A. Reysner et al.), "slave-owning" (Ye. A. Belyaev, S. P. Tolstov, et al.), and "early-feudal" (N. A. Smirnov, L. I. Nadiradze) concepts of the origins of Islam.



Any religion, as a part of the superstructure, is determined by its base. Proceeding from this, the authors of the commercial-capitalist concept saw in early Islam the ideology predominantly of the commercial-merchant elite of Mecca and Medina; the advocates of the slave-owning concept considered that the ideology of Islam reflected the emergence in Arabia of the slave-owning system; whereas the defenders of the early-feudal concept consider Islam to be the ideology of a formed, feudal society. The starting-point of all these concepts is the Sixth--Seventh centuries. Let us note right away that all these theories are based on conscientious study of the historical facts. Furthermore, the doctrine of "Moslem Socialism" stems from elements of egalitarianism, i.e., a leveling quality which, indeed, does exist in Islam, as, by the way, it does also in other world religions--Buddhism, Christianity, particularly in its early stage, and in various Puritan, Protestant, and heretical trends which likewise hark back to the early forms of the religious doctrines, saturated with a patriarchal quality.

And so, the commercial-capitalist, slave-owning, early-feudal, egalitarian-patriarchal.... Four concepts. But what if we assume that each them is based not on the entire completeness of the historical reality but only on a limited portion of it--on one of the socio-economic structures? Should we not examine this problem from the viewpoint of the multi-structured Arabian society of the Sixth--Seventh centuries? In our opinion, there is justification for this.

Although Islam arose, strictly speaking, amid the urban population of Mecca and Medina, it could not help but reflect the entire spectrum of the socio-economic relations of the Arabia of that time. Both these commercial-and-handicrafts cities were, in essence, merely a connecting link between the Arabian Peninsula's two main types of economy--nomadic livestock-raising and irrigational agriculture; moreover, the leading role was played by the former.

A society of nomadic livestock-raisers, as the latest research studies by G. Ye. Markov and other Soviet ethnographers have shown, is multi-structured. For example, among the nomadic Arabs even at the turn of the 20th century, along with the capitalist structure, there also existed patriarchal, feudal, and slave-owning structures.<sup>1</sup> Moreover, the most important role in the nomads' life was played by commercial exchange.

It is well known that exchange arose among pastoral peoples at a very early stage of historical development. "Nomadic peoples," Karl Marx noted, "were the first to develop among themselves a form of money, since all their property is in a mobile, and consequently alienable, form, and since their way of life constantly leads them into contact with other peoples and thereby is conducive to the exchange of products."<sup>2</sup> Since remote antiquity livestock has played the role of money. Among the Indo-Aryans, for example, the cow was the unit of value. In many languages the derivation of the very word for "money" was connected with livestock-raising: the Old Russian skot meant "money"; the Latin words pecus ("livestock") and pecunia ("money"). Such Russian words as den'ga, tovar, and tamozhnya are of Turkic origin, i.e., they came from a nomadic environment.

But the ideology of just what kind of a society was reflected by early Islam? It seems that this was an ideology, on the whole, of an early class society,

with a rather well-developed level of commercial-monetary relations, a society which had entered upon the path of feudal development, a multi-structured society, where not one of its structures had yet become the leading one. And it was only later, in the struggle between these structures--patriarchal, slave-owning, and feudal--that the last-named gained the victory. But in early Islam all this multi-structured quality was reflected--and a unique kind of "multi-structure superstructure" resulted. It is possible that it is precisely herein that the ideological flexibility and adaptability of Islam lies--in the multi-faceted quality of its juridical and ethical norms.

With regard to the Moslem ideologists of the "left-wing" trend who are attempting to demonstrate the socialist essence of Islam, they derive from the elements of egalitarianism connected with the patriarchal structure ("tribal democratism"), as well as from the general, demagogic assertions of Islam concerning the equality of persons before God (musawat) and social justice (adalat). In their opinion, egalitarianism presents most fully the following positions of Islam: the capacity to elect the head of the religious community (imamat), the charity tax (zakat), the voluntary alms-giving (sadaka), the prohibition of usurious interest rates (riba), the common property of the Moslem community (waqf), and state ownership of land. Wherein lies the essence of these elements of egalitarianism? Are they socialistic or pseudo-socialistic? And the main thing, can they change the exploitative nature of the class society?

Let us examine the question of land ownership. Although communal ownership of land, characteristic of nomads and irrigational agriculturalists, hindered the development of private-feudal land ownership, it could not halt the onset of feudalism, and it merely imparted an "eastern" specific to it. Communal ownership was transformed into state, or, more precisely, into state-feudal ownership. The state began to function like a gigantic landowner. This circumstance made null and void the principle of land communality--lands were distributed by the rulers and imams at their own discretion.

In the shariat there appeared special prohibitions against assimilating other people's land, and the inheritance law was codified. In the statutes on leasing land the laws were differentiated between the lessor (tenant) and the owner of a land plot. To put it more succinctly, in fact, collective land ownership proved to be fictitious. Incidentally, with regard to pasture-lands among nomads, this has long ago been demonstrated by ethnographers. Thus, among the Arabs pasture-lands were considered to be the collective property of the clan and the tribe. However, the right of the leaders to dispose of them at their own discretion turned the communal laws into a fiction, and it was not essentially different from feudal land ownership. But the greatest advantage from the collective use of the pasture-land was, naturally, received by the person who had more livestock. But livestock, in accordance with the statutes, the adat, and the shariat was included among the private property. In other words, the supposed communal ownership of land, including pasture-land, merely masked economic inequality.

Just such a social essence characterizes the entire complex of Islamic mutual aid: like the clan-tribal mutual aid, it veils the exploitation of the poorest strata of the population. The zakat tax, the alms-giving, exactly like

charity in the capitalist society, are directed merely at mitigating the class hostility between the haves and the have-nots. And the users have always managed to get around Islam's prohibition against charging interest on debts. It is not in vain that in Moslem countries usury has assumed the harshest forms. The principle of the electability of the imam was never observed: customarily it was the well-to-do, influential persons who became the imams. As a rule, the supreme imams were monarchs--the sultans, shahs, emirs, and khans, who inherited spiritual power along with secular power. The property of the Moslem commune was at the disposal of the higher clergy.

Finally, from the history of the Moslem countries it is well known that, with the development of feudalism and then of capitalism also, the exploitation of man by man reached extreme limits in them, and the dogmas of Islam were incapable of changing anything. In the first period of the spread of Islam the harshest forms of exploitation--robbery during a gazawat, slave-owning and the slave trade, the collection of tribute in the form of increased taxes, as well as the feudal exploitation of the dependent population--were directed outside of the Moslem community, at infidels. But, as a consequence, when these forms outlived themselves, feudal and capitalist exploitation developed with all their force within the Moslem community as well.

Attempts at a socialistic interpretation of Islam return us to what was written in the "Communist Manifesto" concerning feudal and petit-bourgeois "socialisms" and precisely about the "utter incapacity" of their advocates to "understand the course of contemporary history" and the striving to "anew to cram the present-day means of production and exchange into the framework of the old relations of property ownership."<sup>9</sup>

#### FOOTNOTES

1. G. Ye. Parkov, "Kochevniki Azii" [Nomads of Asia], Moscow, 1976, p 276.
2. K. Marx and F. Engels, "Soch." [Works], Vol 23, p 99.
9. Ibid., Vol 4, pp 448, 450.

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## INTERNATIONAL

### ENGLISH SUMMARIES OF MAJOR ARTICLES

MOSCOW AZIYA I AFRIKA SEGODNYA in Russian No 7, Jul 84, pp 2-6

[Text] LENIN AND THE REVOLUTIONARY MOVEMENT OF THE PEOPLES OF THE EAST

V. Khoros

The front pages of the July issue of the journal present the article by Doctor of History V. Khoros, "Lenin and the Revolutionary Movement of the Peoples of the East." The author notes that the analysis of the revolutionary situation in the East is part and parcel of Lenin's teaching on the revolution. Lenin lived at the time of the great awakening of Asia early in the 20th century; he hailed the revolutions in Iran, Turkey and China. In his latest articles which were actually his political testament to the Bolshevik Party, Lenin did justice to the role of the national liberation movement in the world revolutionary process. Life itself, the author notes, has proved the historical correctness of Lenin's ideas on the revolutionary process in the East.

### ASSESSMENT OF THE EFFICIENCY OF THE STATE SECTOR

A. Melikjanyan

Expansive investment and enterprise activity of the national states, that became a reality not only in the countries of Africa but in the whole world, continues to be the subject-matter of heated debates on the development strategy, on the subordination of the state economic machinery to the interests of one class or the other, of a definite social group. The article by A. Melikjanyan on the assessment of efficiency of the state sector, which is an important issue of these discussions, is the subject-matter of the article.

### THE CAMP DAVID PROCESS AND ITS LEBANESE FIASCO

O. Volghin

The triple deal between the US, Israel and the Egypt of Sadat, signed in September of 1978 in Camp David, became a milestone in Washington's strategy in the Middle East. The objective of the Camp David "peaceful" process, as it was hypocritically named in the West, was meant to secure military-



political domination of the US imperialism in the Middle East, to turn the region into a springboard for an offensive against the national liberation forces in Asia and Africa, for a possible aggression against the USSR and other countries of the socialist community; and to simultaneously satisfy Israel's expansionist desires, perpetrating its occupation of the Arab, primarily Palestinian lands. This could strip the Arab people of Palestine of the right to create their own state forever.

Egypt, as a third partner, was from the very outset allotted the role of a passive accomplice in the realization of the plans worked out by Washington and Tel Aviv. The article by O. Volgin, "The Camp David Process and Its Lebanese Fiasco," tells the reader of how these intrigues ended.

#### THE ROLE OF THE ARMY IN TURKEY'S SOCIOPOLITICAL SYSTEM

G. Starchenkov

The article by Candidate of Economics G. Starchenkov, "The Role of the Army in the Sociopolitical System of Turkey," is among the key materials of the issue. From 1960 to 1980, the author notes, the Turkish army performed three coup d'etats, each of them introducing multilateral political and social changes, the most essential of them taking place after 1980. According to the author, at present the army retains the role of the most important sociopolitical factor in the country, despite the return to the civil form of government.

#### THE PHILIPPINES' ECONOMY EXPERIENCING HARDSHIPS

V. Arkhipov

"The Philippines' Economy Experiencing Hardships" is the title of the article by Doctor of Economics V. Arkhipov. Having analyzed the state of economics in the country, the author arrives at the conclusion that the Philippines have found themselves among the developing countries deeply involved in the world capitalist economy, which has been to the greatest extent influenced by the economic crisis of the early 1980. The sharp decrease of the economic growth rates, an exclusive aggravation of the currency deficit, the growth of the external debt, the snowballing of inflation, an increased number of the unemployed and the worsening of other socioeconomic problems were the direct consequences of the crisis.

#### THE BANNER OF DIENBIENPHOU

I. Osotov

There are many glorious feats in the history of the Vietnamese people's struggle for their freedom and national independence, for the right to solve independently the issues concerning their own country. The victory over the select units of the French expeditionary corps near Dienbienphou was among the most outstanding of these feats. The 30th anniversary of this event was marked on May 7, and this is what the article by I. Isotov, "The Banner of Dienbienphou," is dedicated to.

## THE BIG LOAF OF BREAD

A. Krivel

The working people of fraternal Mongolia also celebrate a big festive event: July 11, 1984, will see the 63rd anniversary of the victory of the People's Revolution. The historic significance of this event stands in bold relief especially today, revealing the creative potential of the Mongolian people who have been performing, over the past years, the work that is outstanding both in scope and in content.

The section of the journal "In the Socialist Countries" carries the story by A. Krivel, "The Big Loaf of Bread," on the achievements of the People's Republic of Mongolia in agriculture, one of the key branches of its economy.

## ISLAM AS THE IDEOLOGY OF THE MULTISTRUCTURAL SOCIETY

D. Yeremeyev

In this issue, the "Problems and Opinions" section is presented by the essay written by Doctor of History D. Yeremeyev, "Islam as the Ideology of the Multistructural Society." Islam is not only a religious belief, the author notes, as any other religion. It is a world outlook of a large scope, with its own philosophy, ideology, legislation, its own rules of an ideal (the way it sees it) society. Islam is very multifaceted as an ideology; in the contemporary Moslem countries its ideas are used by many political leaders of diametrically opposed ideologic creeds who learn of Islam's philosophic and legal provisions. It is very indicative that all and every one of the Moslem ideologists (from the extreme left to the extreme-right ones) seek support not in the modern, but in the ancient, primary Islam. What is it that attracts them to the early Islam, why does it fulfill--as they think--the newest and most diverse social orders? All these questions are answered in the article.

## THE RSA--THE U.S.: CONSTRUCTIVE INFLUENCE

N. Khmelnitsky

The article by N. Khmelnitsky, "The RSA--The US: Constructive Influence," carried by the section "Against Apartheid and Racism," will undoubtedly attract the reader. The US maneuvering in South Africa, the author writes, testifies to the fact that, notwithstanding the propaganda clamor about the American loyalty to the "mutually acceptable solutions", the contemporary colonialists strive to convert local conflicts into global ones, pursuing their own, "peripheral strategy". These circles have been stubbornly advocating the racist regime of the RSA, while the Reagan administration is trying to aggravate the South African problem, expanding it by the "Angolan issue" it creates.

## TRAVEL BOOKS GET OLD SO FAST

A. Ganiyev

The story by the journal's own correspondent, A. Ganiyev, "Travel Books Get Old So Fast," carried by the section "Travels and Meetings," narrates the present day of the Republic of Seychelles. Having embarked on the road of progressive changes, the people of the Seychelles strive to attain the objectives they have set themselves. Impressive changes have occurred in the country over the historically short period of time, the author concludes.

## AT THE WALLS OF AN OLD FORTRESS

V. Baikov

Everyday life of the small town of Shakhpur in Pakistan is described in the story by V. Baikov, carried by the same section and entitled "At the Walls of an Old Fortress."

## SOCIOLOGIST'S NOTE

A. Prazauskas

The interconnection and interdependence of the ethnic, social and political processes can be easily traced in any multinational state of Asia. India is, however, the most characteristic of them, as this country is most multifarious and complex of all the states in the world. Besides, in conditions of relatively mature and steady bourgeois-democratic system, ethno-social conflicts and their consequences are much more clearly seen by an observer, than in the majority of other states of Asia and Africa. A. Prazauskas meditates on ethno-social shifts and national construction in India in his article published in the "Sociologist's Notes."

## ALGERIA: THE POPULATION FACTOR OF DEVELOPMENT

K. Dudarev

The population explosion is one of the most acute and complex problems facing Algeria today. While the index for the population growth rates in Africa was 2.98 percent in 1980, in Algeria it reached 3.23 percent. The article by K. Dudarev, "Algeria: The Population Factor of Development," presented among the "Replies to the Readers," discloses ways by which the problem of the population growth is being solved in the country. The author approves of the policy pursued by the government which declared birth control to be a "national objective", the one to be solved simultaneously with the raising of material, cultural and educational standards in the life of the people.

## CORRESPONDENCE BETWEEN M. GORKI AND R. KAMA

P. Shastitko

The section of "Culture, Literature, Arts" begins with the article by Doctor of History P. Shastitko, "Correspondence Between M. Gorki and R. Kama." The same section carries the item on one of the ancient traditions of culture, still observed in Bangladesh, by M. Sh. Jelal, and a short story "The Last Fishing" by the Japanese storywriter Kozi Tanaka.

## THE TOWN OF A THOUSAND AND ONE NIGHTS

Y. Zinin

"The Town of a Thousand and One Nights" is how Y. Zinin entitled his travel notes published in the section "The Cities and the Times," describing Baghdad, capital of Iraq.

## WHO ARE THEY, ANCIENT CANARIANS?

A. Bolshakov

On the eve of the great geographic discoveries, by the time when Europeans first heard about the Canary Islands, the latter had been inhabited. The aborigines lived through the Neolithic stage of development--they knew nothing about metals or the potter's wheel. From the anthropological point of view they were Europoids. But who were they? How did the custom of mummifying the dead come to the islands? Who had inscribed the signs similar to the ancient writing symbols on Crete? The answers to these and other questions are given in the story by Candidate of History A. Bolshakov, "Who Are They, Ancient Canarians?" The reader will find it among the "Pages of History."

## THE COINS OF PARTHIA

A. Nikitin

The "Numismatics" section carries the article by A. Nikitin, "The Coins of Parthia."

## BOOK WORLD [REVIEWS] CURRENT PROBLEMS OF INTRA-AFRICAN RELATIONS

A. Amvrosova

The "Book Reviews" conclude the issue. The review by M. Amvrosova, "Cooperation Between African Countries," deals with the monograph "Burning Issues of the Intra-African Relations," put out in 1983.



## DIPLOMATIC FRONT: LIFE AND WORK OF L.M. KARAKHAN

L. Sukhov

"Diplomatic Front: Life and Work of L.M. Karakhan." The author of the review contends that V. Sokolov has succeeded in depicting L. Karakhan as one of the founders of Soviet diplomacy, an outstanding theoretician and practical worker who, holding any post--diplomatic, party or state--that he did, dedicated all his energy, knowledge and rich experience of organizational work to the cause of cementing the Soviet power and enhancing the Soviet Union's prestige in the international arena.

## THE NON-JEWISH ZIONISM. ITS ROOTS IN THE HISTORY OF THE WEST

T. Karasova

The review by T. Karasova is also interesting, it deals with the book put out in London, by R. Sharif, "The Non-Jewish Zionism. Its Roots in the History of the West." The book studies the reasons for the support given by imperialism to the Zionist aggression.

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## INTERNATIONAL

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## INTERNATIONAL

### SHEVERNADZE ADDRESSES AFRO-ASIAN SOLIDARITY CONGRESS

[Editorial Report] Moscow AZIYA I AFRIKA SEGODNYA in Russian No 8, August 1984 carries on pp 2-5 a 3100-word report on the 6th Congress of the Organization for Solidarity of the Peoples of Asia and Africa (OSNAA) by A. Agaryshev entitled "Under the Motto of Solidarity". In his speech, CPSU Central Committee Politburo Candidate Member and Georgian CP Central Committee First Secretary E. A. Shevernadze discussed the problems facing the peoples of the developing countries, particularly the danger of U.S. imperialism and the threat of nuclear war. The congress participants adopted a resolution to move to a more active level in the antiwar movement. Other resolutions were adopted regarding disarmament and the Palestinian problem. The participants also expressed their support of the UNESCO resolution and the decision of the 38th session of the UN General Assembly on the creation of a new international order for information, education and culture.

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## INTERNATIONAL

### ECONOMIC AIMS OF ISRAELI OCCUPATION IN LEBANON CRITICIZED

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 8, Aug 84 pp 9-12

[Article by S. Maksimov: "Lebanon. There, Beyond the Awwali River"]

[Excerpts] The Policy of "Good Borders"

On the eve of the new, 1984, year, Colonel (Shaul Nur-El'), the head of the "civil" Israeli administration for South Lebanon, made a speech at the ceremonial opening of a road connecting three small Lebanese villages near the Israeli border. Their inhabitants, prudently driven to the ceremony on the instructions of Israeli members of the "social commission for good borders" (It seems that there is such a commission!), looked at the orator not without curiosity. He spoke in a flowery style:

"The project, on the occasion of whose opening we have gathered together today, dear citizens, is only a small portion of the help which we are providing you within the framework of the "good border" policy and which has been called upon to strengthen the bonds of friendship between our peoples from now on."

The colonel's speech was all sugar and honey and pompous, but scrupulously accurate:

"We have delivered to you 2,530 tons of asphalt, 306 tons of crushed rock and 75 reinforcement coils so that you could enclose your cemeteries and schools with fencing."

The colonel was wisely silent about the hundreds of thousands of tons of lethal goods which Israel "delivered" during the June 1982 aggression alone. He was just as silent about the large-scale trade and economic expansion that Tel Aviv has promoted in the occupied south.

Aggression and expansion have travelled hand in hand for hundreds of years in the capitalist world, changing places from time to time. In this context, Israel is no exception. It is hurrying to reap the material fruits of its armed intervention in Lebanon. During the first several months after the invasion, the occupiers simply plundered the shops and stores, and they exported to Israel radio equipment, video tape recorders and electronic watches-- everything that could be sold for a profit at home -- as contraband.

Later, the economic brigandage began to assume a more organized nature. During the exhausting negotiations that preceded the signing of the "peace agreement", the Israeli representative -- under the "impartial" observation of the United States -- twisted the arm of the Lebanese delegation and demanded that a statement on expanding trade exchanges be included in the document. A stream of Israeli goods flooded into the country across Lebanon's southern border. Cucumbers, vegetable marrow, egg plants, tomatoes, lemons, oranges, and apples-- which incidently are successfully grown on Lebanese soil -- began to flood local markets, especially those on occupied territory. In Lebanon, they were twofold cheaper than native products although they cost consumers in Israel itself quite a bit more.

The explanation is simple. The goods are being subsidized by the Israeli treasury as products of "strategic importance". The main purpose of Tel Aviv's trade intervention is to stifle competitors and to capture the Lebanese and through it -- other Arab markets. It has reached the point that south Lebanese merchants are being forced to purchase Israeli goods, hang a "Made in Lebanon" label on them and drive them in this form to the Persian Gulf countries that are rich with "petrodollars". In the words of the occupying authorities, "severe retaliatory measures" await those who refuse to cooperate or call for a boycott. "Based on the principles of reciprocity", they have opened up a road to Israel for only one Lebanese product -- arak, and anisette vodka.

South Lebanon's economy, which has been cut off from the whole economic organism that it fed and that fed it, is experiencing real asphyxia. The peasants managed to sell only a third of their harvest during 1983. Industrial enterprises and workshops are either closing or working at a fifth or a tenth of their capability. Oranges, bananas and fresh vegetables are spoiling in the gigantic multi-day jams at the traffic control points like the one with whose description we began this account. The transportation of goods is now twice as expensive as before the occupation. Workers and owners are without work; the land -- without peasants; and families -- without the means to exist.

The aggressor has prepared to "develop" South Lebanon with enviable thoroughness and punctuality. A very detailed questionnaire, which has been published in the modern Hebrew and Arab languages and with whose help the Israel occupation authorities intend to inventory the economic potential of the territory, has fallen into the hands of ASSOCIATED PRESS correspondents. The questions, which are posed in it, have the purpose of revealing, in particular, the condition of the infrastructure (the presence of telephones, water, sewerage, post offices, etc.), the composition of the transportation pool, the types of fuel that are used in day-to-day living and in transport, the names and type of employment of "rich and distinguished" persons in each village, the number of inhabitants including those who had gone to other countries in search of a living, the first names and surname of all potentially able-bodied people from 13 to 65 years of age, the cattle population, the area of land being cultivated, and even ... the number of pregnant women.

## "The Litani Operation"

True, they did not refer to one important point in the questionnaire: the condition of water resources, especially the Litani River which is the largest in the Lebanese south and in the entire country -- probably because its waters had already attracted long ago the eyes of Israel which has sufficient information on it without additional questionnaires.

(Kyamal' Khamdan), one of the leading Lebanese economists, says: "In 1919, Chaim Weitzman, one of Israel's future 'founding fathers' pointed out in a letter to the English prime minister, Lloyd George: 'The future of Palestine depends on its water resources that are required for irrigation and the production of electricity. This water must flow there in a broad stream from the foothills of Mount Hermon where the Jordan and Litani rivers begin'." In performing the appropriate research, he came to the conclusion that the Israelis had prepared everything necessary to move part of the Litani waters to Israel.

(Kyamal' Khamdan) explains:

"As is known, Israel has used up 90-95 percent of its water resources. It is relying on alternative sources of water for irrigation and for obtaining the energy which it especially needs. It has already seized the tributaries of the Jordan River and it is now stealthily approaching step by step the waters of Lebanon's south. As is known, Israeli specialists installed a whole battery of pumps during 1978-1982 along the (Khabani River) which flows through territory that had already been occupied by them at the time.

Further, there is more. In a WASHINGTON POST newspaper interview in June of last year, Yuval (Naash), the Israel minister for science and technology, admitted that Israel had been working for a long time on the problem of tapping the Litani River and had managed to take practical steps in this direction. According to the report of Doctor (K. Khuri), the head of the "Litani Project" -- a plan for using the waters of the Litani for the national development of Lebanon, the Israelis, who reached the dams on Lake (Karaun) (through which the river flows), seized its diagrams and plans as their first task. The water level throughout the lower course of the Litani depends on the operation of the dams. These documents are now in the hands of the Israelis. Subsequently, with the signing of the "peace agreement", Tel Aviv tried to tear from Lebanon a quota for using the "surplus" -- in its opinion -- waters of the river.

Eye witnesses, among whom are engineers and technicians, report that the occupying authorities are performing intensive work to build a tunnel in the spot where the Litani is closest to the Lebanon-Israel border. It goes in the direction of Israel. The necessary hydraulic pumping equipment has already been acquired. Comparing all existing data, it is possible to assume with a great deal of confidence that this system is ready to begin operating on a signal from Tel Aviv. It is unnecessary to talk about the truly catastrophic consequences which the Israeli "water robbery" would have not only for South Lebanon but also for the entire country.

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## INTERNATIONAL

### CURRENT PHASE OF NAMIBIAN INDEPENDENCE STRUGGLE EXAMINED

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 8, Aug 84 pp 20-21, 29

[Article by A. Gorodnov, "100 Years of Colonialism and 100 Years of Struggling for Freedom"]

[Excerpts] Namibia Day is celebrated every year on 26 August. On that day 18 years ago, the South-West African People's Organization (SWAPO) began an armed struggle against the occupation forces of the racist Republic of South Africa regime. However, the present year, 1984, is being celebrated as a date of a different type for the Namibians. Exactly a century has passed since kaiser Germany declared its protectorate over Southwest Africa -- the imperialist preferred then and prefer now to use this name instead of the indigenous ancient name of the country.

The striving of the West to achieve a "solution" to the Namibian problem, which is acceptable to it, led in 1977 to the establishment of the so-called "contact group" composed of the United States, Canada, Great Britain, the FRG, and France (the latter left this group in 1983) to mediate between SWAPO and the Republic of South Africa authorities. In fact, it deliberately dragged out the granting of genuine independence to Namibia on the basis of UN Security Council Resolution 435 which requires the conducting of free democratic elections in the country under the aegis of the United Nations and the mandatory participation of SWAPO in them; and it artificially linked this question with the question of the departure of the military contingent of Cuban internationalists, who are there at the request of its legal government, from Angola.

Meanwhile, the imperialist monopolies, whose interests the "contact group" is defending in the final analysis, are continuing to receive multi-million dollar profits through the very brutal exploitation of the Namibian people. According to the data of UN experts, up to half of Namibia's gross domestic product is annually pumped over into the United States, England, Canada, and other Western countries. About 90 companies, which are participating in this robbery, including such transnational corporations as Amoco Oil, (Metallgesellschaft), British Petroleum, Getty Oil, Shell, and others, are exporting from Namibia three-quarters of the most valuable mineral raw materials being mined there -- uranium, diamonds, tungsten, cadmium, molybdenum, lead, and zinc. The republic of South Africa appropriates the remainder.



The racists are nurturing plans to dismember Namibia and to establish on its territory puppet states following the example of the South African pseudo-independent Bantustans. The so-called Caprivi African National Union (CANU), headed by (M. Muyongo), is among the organizations being supported by Pretoria. Representatives of the Republic of South Africa's special services have repeatedly met with him during the last two years. According to information that has been leaked to the press, their talk concerns the establishment of a certain "Itenge republic" in Namibia's north and questions have been discussed concerning the coordination of the occupiers' and CANU punitive actions against SWAPO.

Pretoria is also forcing the formation of a "state council" in Namibia. It is no accident that this mission has been placed on Republic of South Africa deputy Van (Nikerk) who has been entrusted with directing both the development of the future "constitution" and the conducting of "general elections". They have barred SWAPO beforehand from participation in determining Namibia's fate. Only representatives of the puppet "domestic" parties-- the local white racists and mercenary leaders of the tribes -- will be included in the "state council".

The Republic of South Africa authorities have recently been declaring right out their refusal to fulfill Resolution 435, calling it "completely outdated." American propaganda is echoing them since Washington is essentially the co-author of Pretoria's "new" approach to the Namibian problem -- an approach which consists of removing it from the UN framework. The United States has attached special importance to the trip of P. Botha, South Africa's prime minister, to Portugal, England, the FRG, Belgium, Austria, Switzerland, and France during May and June of 1984. Besides the fact that this visit, which signified an expansion of ties between the mentioned Western European countries and the Republic of South Africa, allegedly justified the American policy of "constructive influence" on the apartheid regime, it had as one of its goals the preparation of the soil for the final torpedoing of Resolution 435 and for the replacement of the UN plan with an agreement aimed at establishing a puppet regime in Namibia. The racists and their Washington protectors are trying to counterpose a fictitious "decolonization" of Namibia, which consists of transferring power to their henchmen, to the solution of the association of nations.

Not restricting themselves to political maneuvers, the racists are strengthening their military presence in Namibia. The total number of Republic of South Africa occupation forces (including auxiliary contingents) has reached 100,000 individuals. The "Kuvut" special detachments are noted for their special zeal in conducting punitive operations. Created to frighten the Namibians, they have become the symbol of death and sadism. Dozens of mass graves of the victims of their heinous crimes have been found in Namibia's north. The bandits receive a large financial reward for each killed Namibian. The indiscriminate searches and round-ups, which are conducted by them, are being transformed into an orgy of plunder and violence. During this, the members of a punitive expedition often wear the uniform of SWAPO fighters in order to discredit the patriots with the help of this camouflage and present them as terrorists.

The information on the "Kuvut" atrocities, which has gotten into the press, has caused indignation even in the Republic of Africa itself. The authorities had to conduct several show "trials" that ended with laughably light sentences -- if it is appropriate to use this word here -- for the butchers. For example, two defendants who had beaten an African girl to death, were "sentenced" to pay a fine of 30 rands (approximately 30 rubles).

The freedom fighters are replying to the revelry of terror and bloody repression with new and every greater blows against the occupation forces. According to an announcement of the SWAPO Central Committee, detachments of the People's Liberation Army of Namibia (PLAN) during 1980-1981 put out of action 2,000 enemy soldiers and officers, destroyed a considerable amount of military equipment including five jet fighter bombers and four helicopters, and destroyed 19 bases and field camps. In 1982, more than 2,800 South African servicemen were killed or wounded and 79 airplanes and helicopters were destroyed. In 1983, the flames of the liberation struggle embraced more than half of the country's territory including regions which the Republic of South Africa authorities had considered the quietest for a long time. At the present time, the patriots are continuing their armed actions close to the cities of Tsumeb, Okavango, Otavi, and Omaruru and the administrative center of Namibia -- Windhoek.

As (Sem Nuyoma), the SWAPO president, pointed out during an interview with the Tanzanian SHIKHATA Press Agency, all of Namibia's population is participating in the intensifying struggle for the motherland's freedom. He said that SWAPO has become more active in both the military and in the diplomatic areas. He unmasked the maneuvers of the United States and its false statements about the alleged progress that had been achieved during the negotiations on Namibia and called upon the international community to exert even greater pressure on the Pretoria authorities in order to force them to carry out the well-known decisions of the United Nations.

Disturbed by the upswing in the liberation movement of the Namibians, the racists are making certain concessions. For example, they (not without the ulterior motive of sowing dissidence in the SWAPO ranks) released (Toyvo ya Toyvo), the founder of the People's Congress of Ovamboland and a national hero of Namibia, ahead of time from a prison on Robben Island--he had spent 16 years there. Immediately after his release from the torture chamber, however, he expressed his complete solidarity with the present SWAPO leadership and called upon patriots to intensify the struggle and increase vigilance in the face of the new intrigues of the South African administration.

The Soviet Union has always provided comprehensive help to the Namibian people in their just struggle against colonialism and racism and has demanded the fulfillment of UN Security Council Resolution 435 and the granting of genuine independence to Namibia.

There are still many difficulties on the path of the Namibian patriots to their cherished goal; however, all of the world's progressive forces firmly believe in the final victory of their just cause.

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## INTERNATIONAL

### ROUNDTABLE ON FORMATION OF AFRO-ASIAN PROLETARIAT

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 8, Aug 84 pp 22-29

[Article: "The Proletariat of the Liberated Countries: Social Borders and Main Trends in their Development"]

[Text] Candidate of Economic Sciences S. V. Voronin (Oriental Studies Institute of the USSR Academy of Sciences), Candidate of Historical Sciences M. N. Yegorova (Oriental Studies Institute of the USSR Academy of Sciences), Doctor of Historical Sciences S. I. Kuznetsova (Scientific Information on Social Sciences Institute of the USSR Academy of Sciences), Candidate of Economic Sciences Ye. S. Popov (International Workers' Movement Institute of the USSR Academy of Sciences) Doctor of Economic Sciences L. A. Fridman (Institute of Asian and African Countries of the Moscow State University), and Doctor of Economic Sciences G. K. Shirokov (Oriental Studies Institute of the USSR Academy of Sciences) are participating in the "Roundtable" discussion.

G. Shirokov: The processes which are connected with the change in the social structure of developing countries and with the formation of a modern type of class, primarily the working class, have been noticeably strengthened during recent decades. Since both domestic factors of an economic nature and foreign ones aimed at drawing the former colonies into a new international division of labor and into the scientific and technical revolution, are affecting these processes, they are notable for their great specificity. How is this specificity being expressed, even if only in general terms?

First, the development of capitalism led to an expansion in the area of hired labor. Whereas it was used mainly in industry and in mechanized transport at the beginning of the Fifties, it has been propagated at the present time in agriculture and in the area of services and circulation.

Second, the use of manpower in modern sectors of the economy is decreasing relative to the growth in the number of capital-intensive enterprises.

Third, the capitalist sector in the developing countries is not uniform: Whereas a high capital-labor ratio is noted in industry, transportation and energy, manual labor is still being widely used in other branches. As a result of this, changes for the better in employment are occurring comparatively slowly.

Fourth, the coexistence of home and industrial production methods has caused an increase in the gap between individual detachments of the working class in the level of their qualifications, in their material condition, etc.

Fifth, the widespread introduction of modern technologies, on the one hand and the demographic explosion, on the other, are leading to mass unemployment, complete or partial. In its turn, unemployment exerts an enormous influence on the nature of hiring and the condition of the workers.

Of course, we are not placing before ourselves the task of analyzing all of the listed problems and situations in all Afro-Asian states. Let us dwell on those which determine the place and role of the working class in economic and political life in the countries of capitalist development. And so, your opinion?

L. Fridman: I would suggest that we begin the discussion with an explanation of the general distinctive features in the social and economic development of Afro-Asian countries which affect the specific nature of the formation of the working class.

For understandable reasons, the comprehensive reorganization of the national economy on an industrial basis is possible here only in the extremely remote future. In the meantime, the economy of the majority of the liberated states is developing dualistically, as is shown in the works of Soviet scientists.

The coexistence and parallel development of the two sectors in the national economy stipulates both the relative narrowness of the area of "modern" hiring and the social dissimilarity of the army of hired laborers. The substantial differences between workers, who are employed in large-scale and small-scale production and in modern (machine) and traditional production that is primarily based on manual labor, are being preserved under the conditions of the dualistic economy. This has acquired a stable nature in the countries of Asia and Africa.

G. Shirokov: In that case, let us dwell in more detail on such an urgent and far from simple problem as the social boundaries of the proletariat. It is known that a different approach to it leads to a lack of convergence in the appraisals that concern the number, composition and structure of the working class on the two continents and also in the individual countries and regions.

S. Voronin: It seems that it would be more correct to treat the concept of the working class both in the "broad" and in the "narrow", that is, strictly political and economic, sense. In the broad sense, it is all hired workers to whom, on the one hand, the lowest employees -- junior retail, office, technical,



and medical personnel; elementary school teachers; and others, and, on the other hand, certain groups of formally independent craftsmen, peasants, merchants, etc., who have been practically transformed into "workers at home" and who are completely under the command of capital, are affiliated but are not a member of them. In the narrow sense, it is the modern proletariat and namely the workers in capitalist production.

Since these main categories of workers have far from an identical social nature, the overall number of the working class should evidently be characterized not by one, but by two-three numbers, that is, it should not be limited to information on all hired workers, but should be supplemented with information on workers in large-scale machine and small-scale production.

M. Yegorova: In my opinion, it is necessary to exclude all workers in the non-production sphere from the overall number of hired laborers in order to find the "upper" boundary of the number of the working class in the liberated countries and to separate the different categories of employees from the proletariat. In other words, wouldn't a definition, in which the concept "the working class of the developing countries" embraces all hired workers that are connected with the forms of capitalist and state hiring and that are employed in agriculture, industry, commerce and services (minus workers in state institutions), be more exact?

G. Shirokov: In so far as I understand, it is necessary to understand the fundamental difference in the social nature of the two categories of workers in order to answer that question.

S. Voronin: You are completely correct, Gleriy Kuz'mich. I will begin with a well-known truth. Whereas the concentration of workers and labor discipline in large-scale capitalist production contributes to the strengthening of their class solidarity and unified actions, the labor process in small-scale enterprises dissolves workers in a sea of owners to a certain degree. Here, it is not hired labor that predominates--but owners and the members of their families who are helping them work. The nature of this production, which is based on manual labor, contributes to the interlacing of capitalist exploitation with the different forms of pre-capitalist oppression, bondage and traditional specialization that preserve class and caste vestiges. All of this leaves an impression on production relationships, determining the position and specific social nature of the workers.

L. Fridman: I see the necessity for touching upon another aspect of this problem.

In the final analysis, the economic and social living conditions of the workers determine the entire system of the proletariat's life and its social, moral and psychological make-up. In this sense, no matter what the historical national and cultural differences between a Paris metal-worker and a Bombay textile-worker, between an automobile worker from Detroit or an African miner from Witwatersrand, between a Rhur miner or a Lanqi docker -- all of them are class brothers; they are participants in a united struggle of labor against capital.

Now about the "boundaries" or, more accurately, about the "border zones" that divide hired workers into the two main categories. In analyzing the process of capitalism's development, the founders of Marxism-Leninism took two criteria into consideration when defining large-scale capitalist production: the number of people employed in that enterprise and the use of machinery and mechanisms in it. Guided by these ideas, we would think it advisable to proceed from the minimal number of those employed with which the owner is able not to participate in the production process directly, limiting his role to control, accounting and management and selling functions. As a result of the exploitation of a certain number of hired workers, this owner appropriates the mass of surplus value that assures him the appropriate living standard and new, larger investments for expanded reproduction. In the industrial branches of the economies of the developing countries, such enterprises usually number 10, 15, or 20 workers. As is known, when performing an industrial census or inquiry, the most important criteria for a factory type of enterprise is the manpower concentration level in it. As data on the different countries of Asia and Africa show, enterprises in which more than 10 or 20 workers labor, have, as a rule, machine-tools and machinery that use mechanical and electrical energy. Of course, one cannot fail to take into consideration the nature of the production relationships during this.

Ye. Popov: It seems to me, Leonid Abramovich, that your approach -- which is constructive in general -- suffers from obvious errors. For example, you use the terms "large-scale", "machine", "modern", and "capitalist" production as synonyms. However, isn't it possible in this case to state that "the modern proletariat" is composed of machine production workers, that is, a factory and plant proletariat in the generally accepted political economic sense? I think not. Of course, from the point of view of the future, it is indeed possible to place an equals sign between the four mentioned concepts. In the situation that now characterizes the majority of the liberated countries, however, they clearly do not coincide. Moreover, this lack of convergence is also sometimes observed in the economically developed countries. For example, there are small firms in microelectronics where 20-30 people work together with the owner, jointly determine the hours for working and resting, and solve other production problems. These forms can hardly be called large-scale machine production. In the developing countries, the concepts "machine" and "capitalist" production quite frequently do not coincide. Here the clear-cut established political and economic categories: "hired labor-capital", "machine" or "non-machine" production, are more accurate than the definition "modern production". It is no accident that K. Marx uses the term "modern proletariat" only to describe the transition period where each structure has in itself the features of both the past and the future.

Indeed, there are different types of workers in the liberated countries. In so far as capitalism of the first, second, etc., "sort" exists here, the working class is also correspondingly not uniform. Unequal proportions of "modern" and of different types of "traditional" signs are typical of its different detachments. In other words, we stand in need of a social typology.

Now, concerning the criteria of the "modern" proletariat. In my opinion, the process of forming a capitalist, who takes upon himself the functions of managing an enterprise, and of a worker, who is opposed to him, only determines the first level in the formation of the proletariat, that is, giving him access to the classical dichotomy; hired labor - capital. It is more justified to use the category: "modern" only when analyzing the structure of the working class. In this case, one cannot fail to note that the main boundary passes along the divide between the concepts "machine"-"non-machine" production. From the point of view of this logic, L. Fridman's and S. Voronin's criterion of "modern" seems erroneous to me.

Numerous facts testify that, when production is mechanized, qualitatively different production relationships take shape in it and individual conflicts yield to collective ones, the interest of the individual worker -- to collective interests, etc. If you take this criterion as the basis, estimates of the number of the modern proletariat will be more realistic. Of course, it is possible to assume that enterprises, employing more than 20 people, belong to factory qualification production. However, the mass of enterprises function here with 30-50 workers and two-three machine-tools which do not make any waves from the point of view of labor organization. The use of machine-tools is caused only by the advantage from mechanizing individual operations while manual labor predominates in general. As a result, the enormous mass of this essentially "non-mechanized" production is formally included in the qualifications, exaggerating their number. Briefly, it seems to me, that the process of "modernization" should not be extended to these enterprises and to the workers that are employed in them. Otherwise, this will lead to the obvious overstating of the objective potential of the working class in the liberated countries.

M. Yegorova: The analysis of the social nature of the main worker groups and the determination of the "frontier" between them based on differentiating production into "large-scale" and "small-scale" (in a social economic or political economic sense) gives birth to much vagueness. In order to avoid these artificial complications, it is necessary to devote the required attention toward the political and economic criteria to which A. Levkovskiy, V. Rastvannikov, V. Krylov, etc., have directed attention. They, these criteria, permit the boundaries, which separate workers who are employed in production and on farms of a capitalist type from the different social layers that are emerging as the bearers of pre-capitalist production relationships, to be defined more precisely.

It is possible this way to solve the question of the boundaries of the working class and of the initial frontier of its formation as a detached social community.

Now, about the term "modern proletariat". This term is conditional and, at a certain stage of research, helped to separate the layer of the workers, who were connected with developed capitalist ways of life, from the masses of the semi-proletariat layers of the peasants and urban lower layers who represent a small-scale economy way of life. It, however, does not have a clear-cut

political and economic basis, and such criteria as "large-scale" and "small-scale" enterprises are not sufficiently convincing. In India, for example, the concept "modern proletariat" is actually linked with the distinctive features of statistical accounting and basically includes workers of qualification production.

G. Shirokov: Where do the fundamental differences in the class nature of workers in developed and developing countries lie? Yes, and is the statement of the question about the resemblance of the class nature of a certain portion of the proletariat in liberated countries and of workers in industrially developed countries correct in general?

S. Kuznetsova: I will continue the questions. Why is the end to the debates about whether one should call the urban industrial proletariat of the Afro-Asian countries "modern" during the Eighties not in sight? Possibly because some researchers compare the workers of the developing countries with today's factory and plant proletariat of the United States, England and France or (even more frequently) with some speculative model of the "ideal" proletariat which completely consists of hereditary cadre workers, trade union activists and party workers who are continuously waging a class struggle, etc. The Afro-Asian proletariat indeed does not stand up to such a comparison. Concerning the question of the conformity of the workers in Afro-Asian countries to the average (but not higher) "international" standard of the modern proletariat, this conformity has a place, of course, only when they are employed in the large-scale production that is typical of the second half of the 20th century. This, however, does not mean that such a proletariat is inconceivable without workers who are producing nuclear reactors, electronic equipment or supersonic aircraft; the literacy level should be higher than for the country as a whole, but it can be lower than in states that have already shifted to a mandatory secondary education. Participation in trade unions now takes place everywhere, but support of a workers party or, all the more, membership in it depend on a number of social and political conditions that are typical of each country, etc.

It seems that it is necessary to approach the development of criteria, which permit the modern proletariat in the liberated countries to be singled out as a really existing object of research, with this taken into consideration. The material from research, which was performed during the Seventies and Eighties, testifies to the existence of an urban industrial core of modern type workers in the majority of Asian and African countries, although its number depends on the level and scale of urbanization and industrialization and also on the length of the proletariat formation process itself.

L. Fridman: Can the description of the working class be boiled down only to social and economic aspects? Of course not. Both social psychology and the social environment and even the type of civilization play a large role in real life as relatively independent factors. Historically shaped conditions differentiate one country from another and affect deep and initial social and economic processes. At one time, we did not devote what was necessary to these class-formation factors, but now an unintentional "distortion" in the opposite direction has been noticed. As soon as something does not fit the



required schema, they begin to remember social psychology, value orientations, ideology, etc. All of this, I repeat, is very important; however, those deep social and economic transformations, which in the final analysis determine social psychology, value orientations and many other things, lie at the basis of the class-formation processes in Asia and Africa just as in the West. That is why, in my opinion, it is necessary to define the social boundaries of the proletariat, its internal structure, the composition of the proletariat, and also the dynamics of the processes which are taking place in its ranks, on the basis of social and economic criteria.

G. Shirokov: And so, the discussion participants have come together on the fact that the basic distinctive feature of the proletariat and of the hired labor army, in general, in the developed countries -- in contrast to the countries of developed capitalism -- is their social heterogeneity. This is the picture statically. What is it dynamically? What are the most important trends and results in the formation of the proletariat during the post-colonial period?

S. Voronin: It seems to me that the main result is the fact itself that the proletariat has appeared in the Afro-Asian world as a class in the objective social and economic sense. The process of its formation and social development is accelerating as industrial construction is expanding.

In our opinion, the changes, which are occurring, require a definite adjustment in the stereotypes that have taken shape in perceiving the liberated countries' working class. Such definitions as "illiterate", "unskilled", "backward", etc., are unjustified for the majority of modern, that is, factory and plant, workers in the Afro-Asian world. It is also necessary to take into account the fact that not peasants, but city inhabitants, including those from the comparatively educated and cultured middle layers, have become the main source for replenishing the industrial proletariat during recent years.

L. Fridman: In appraising the qualitative changes that are connected with the formation process of the Afro-Asian proletariat, it is first of all necessary to present the scope, tempos and results of the industrial revolution in the liberated countries correctly.

We have no summary data on the amount of machine-tools and machinery that has been installed in the industrial enterprises of these countries during the last 20-30 years. We know, however, how the output of certain types of products in metallurgy, machine building and other sufficiently modern branches has increased. Thus, 4.6 and 18.2 million tons of cast iron, 3.8 and 11-12 million tons of steel and alloys, 1,500-2,000 and 115,000-120,000 agricultural tractors, etc., were produced in the developing countries of Asia and Africa during 1960-1961 and 1978-1980, respectively.

A modern type of worker is smelting steel and producing automobiles, electric motors, tractors etc., both in the West and in the East. Investigations which have been conducted in plants of a similar profile in the developed capitalist countries and developing countries, confirm that people of approximately

an identical educational level, professional experience and qualifications are employed in them. Of course, only assembly operations are being conducted in many Afro-Asian states, and parts for a number of machines and mechanisms are being delivered as before from the developed capitalist countries where the centers of the transnational corporations are located. However, the number of enterprises, which are producing both semifinished and finished products is growing constantly in the liberated countries. In addition, assembly enterprises exert a positive influence on the change in the structure of modern productive forces and on the process of forming and developing a modern proletariat. I recall that the branches of heavy industry in the countries of Asia and Africa got 40-45 percent of the total value of industrial production and no less than 25-30 percent of the workers in factory industry at the beginning of the Eighties.

The operation of the law of unequal development of individual countries and groups of states within the framework of the world capitalist economy is being demonstrated especially strongly in the developing world. The scales of industrialization are unequal: Not only individual enterprises but also complete industrial complexes in the area of ferrous and nonferrous metallurgy, general chemistry, petrochemicals, machine building, construction materials production, artificial fertilizer, and other branches of heavy industry have been created in many of these countries; and powerful heat and hydroelectric power stations have been put into operation in them. It is possible, however, to name a number of countries -- and not only African ones -- where the results of industrialization still appear very modest. This differentiation is rightfully being reflected in the quantitative and qualitative characteristics of the proletariat.

M. Yegorova: Indeed, the time has come to re-evaluate a number of important characteristics of the proletariat in the liberated countries. I turn as an example to India where three streams of worker replenishment have poured into industry during the years of independence. True, the workers of the first generation, who arrived in industry at the beginning or in the middle of the Fifties, still predominate. But now, a fourth stream of workers, who are characterized by higher professional training and an increased general educational and cultural level, is pouring into industry. Essentially India is on the threshold of the next stage in up-dating the industrial working class. In this regard, the question arises: Are the progressive forces ready ideologically, politically and organizationally to work with this new reinforcement for the proletariat?

C. Shirokov: The dynamism of the proletarianization processes and of the changes in the composition of the working classes and the urgency of the problems, which are arising in connection with this, are sufficiently obvious. Does the consolidation of the proletariat as a class or a trend in the opposite direction predominate in this process during the present stage in the development of the liberated countries?

S. Voronin: It is not simple to answer this question simply: The social and professional heterogeneity of the army of hired labor is becoming intensified, the structure and composition of the working class is becoming complicated,

and a differentiation based on the level of skill, wages and culture is occurring. The problems of the "social dilution" of the proletariat, which is being replenished in a great measure by people from the non-proletarian layers, are even more serious. Thus, a trend toward the intensification of the proletariat's social and professional dissimilarity and also toward the appearance of alien elements in its class-consciousness is being noted during the first stages of industrialization in the liberated countries. This leads to a differentiation in the value orientations and specific interests of individual detachments of workers and raises the problem of the unity of the working class in a new way (and complicates it in general). Nevertheless, in our opinion, the trend toward the class consolidation of the proletariat, which is connected with modern large-scale production, is the predominant one.

G. Shirokov: Your conclusion, Sergey Vladimirovich, does not sound very convincing. From my point of view, you exaggerate the degree of the class consolidation of the proletariat in the developing countries. The fact of the matter is that you devote a great deal of attention to analyzing the correlation of the common general laws and of the specific distinctive features in the formation of an Afro-Asian proletariat in your joint research with L. Fridman. However, you did not always manage to reveal the sought for historical parallels when comparing the developed and developing countries. As a result, you exaggerate the community of characteristics that are inherent in the proletariat of developed and developing countries, and you underestimate the specific nature of the latter. I will try to illustrate my thinking in more detail.

The "classical path" of the formation of the proletariat in the countries of Western Europe and North America permit three very important stages to be traced. During the first one which is connected with the beginning of the industrial revolution, the working class was formed from the workers of the ruined manufactory. The role of the population's migration from the village still was not great, and the major mass of the hired workers was concentrated in industry. All of this, evidently caused a rather early recognition by the workers of their class interest. Let us point out that the Chartists appeared during the first third of the 19th century.

During the second half of the 19th century, a new stage in the development of capitalism and the proletariat, which did not occur identically in different countries set in. First, the laying of railroads was accompanied by the appearance of an enormous number of construction workers (during the Eighties of the 19th century, railroad construction attracted approximately seven million people who formed in number one of the largest detachments of the working class). Second, the agrarian crisis and mass destruction of peasant farms led to the broad extension of hired labor in the village. Later, this, along with the introduction of machines into agriculture, contributed to the formation of workers of a capitalist type. Finally, the sharply accelerated development of heavy industry branches required just as significant an increase in the number of skilled workers. From the second half of the 19th century, an ever growing difference in the payment for the labor of skilled and unskilled workers is observed (by the end of the century, this gap had reached approximately a sevenfold-eightfold dimension). Thus, during the



second stage in the formation of the proletariat, a trend toward its distinctive disintegration along branch and social and professional avenues was being noted.

The third stage is the consolidation of the working class by incorporating industrial work methods in all branches of the economy. As a result, the rates of paying for it came together and a rather large inter-branch manpower mobility arose.

The situation took shape differently in the liberated countries. There was practically no first stage since the manufactory was in embryo. In the countries of the East, capitalist enterprise began to develop primarily on a plantation economy. When industry appeared, its branch structure apparently did not permit the already existing manufactory workers to be used.

A further process of differentiation and -- one can say -- even disintegration of the working class is being observed here with the acceleration in the rate of economic growth and with the spread of industrialization.

S. Kuznetsova: Gleriy Kuz'mich, the process of differentiation in the working class of the liberated countries is in the field of view of practically all researchers on this problem. What meaning do you attribute to the concept of differentiation and what, in your opinion, has caused the disintegration trends?

G. Shirokov: They are being determined by the specific nature of the development of industry itself. Branches, which require skilled and unskilled manpower, are being created simultaneously. However, since the level of literacy and culture of the population of the countries of the East is much lower than that which was characteristic of the population of the now developed states during the second half of the 19th century, the expenditures for training skilled manpower here are immeasurably higher. According to research that was performed in India at the beginning of the Sixties, the daily pay for work performed by the most qualified worker exceeded the pay of an unskilled worker 82-fold. Europe never knew such a gap in the pay of workers. Since then, this gap has been shortened with the development of a vocational and trade educational system and as a result of other positive changes; however, it now remains extremely significant, especially in heavy industry enterprises.

Along with this, branch differences in the working class are deepening: the proletariat of the traditional industrial branches (light, food, etc.) is being maintained; agricultural workers, connected with mechanized production, are appearing along with the plantation proletariat during the "green revolution", but a high level of splintering is characteristic of them; and finally, protectionism and the shortage of currency are leading to a certain autonomy in the domestic market and the production of different technical equipment is appearing. The number of small and very small enterprises is growing. In India, they numbered 3.3 million during 1977 (all enterprises, in which even one hired worker was employed, were registered). A total of 24 million workers worked in these enterprises. At the same time, there were approximately six million people in large-scale and qualification industry, that is, approximately fourfold less hired workers than in small-scale production.



Under the conditions of unemployment, the price of manpower is maintained at an extremely low level. This simplifies the creation of the manufactory and small mechanized enterprises of all types. According to estimates of the UN Economic and Social Commission for Asia and the Pacific in 1978, the percentage of small-scale production in the total value of industrial products varied from 10 percent in Turkey to 40 percent in Indonesia. All of this permits one to think that the countries of the East are at a stage in the formation of the proletariat where the processes of the working classes' disintegration predominate, generally speaking, over the processes of its consolidation.

L. Fridman: Gleriy Kuz'mich has convincingly demonstrated the trend toward the differentiation of the working class. We are ascertaining the prevalence of the process of the modern proletariat's class consolidation within the framework of large-scale industrial production. It is hardly possible to reproach us for the fact that we are trying to take the desired for the actual.

In this connection, let us recall M. Kholstrem's well-known book about the industrial workers of southern India. Its author lived in India for a long time, he worked in the largest industrial center -- Bangalore, and had a good knowledge of local conditions. He was not the prisoner of any a priori ideas and described the reality as he saw it. What was his conclusion? The workers in the factory enterprises of Bangalore are different. Some earn several-fold more than others. Among the workers there are brahmins and representatives of the lowest castes. However, when the struggle is fought to raise wages, to shorten the work day, to introduce new social legislation, etc., not the differences between workers but the community of their interests is the predominant one. Cases are typical where in one and the same trade union the chairman is a kharidzhan and "untouchable" and his deputy is a brahmin -- and they have worked side by side for many years. When the question was posed to workers: "Do you consider yourself belonging to the middle layers or to the worker class, do you adhere to the modern or traditional culture?" -- the overwhelming majority of them declared not without pride that they belonged to the working class and not to some middle layer and associated themselves with modern industrial culture. The cited data hardly suffer from exaggeration since the questioning of the workers in many enterprises was massive.

G. Shirokov: You are correct, Leonid Abramovich. The situation "within" the industrial core is different than that which is revealed during an examination of the working class in general. However, the gap between the pay of skilled and unskilled workers is unusually great in large-scale industrial enterprises, and the highly skilled worker who continues to work for hire, often begins to be transformed into a small owner. For example, data on India, the Phillippines and Thailand testify to this. In India, many of these workers are opening workshops and hiring 10, 15 and 18 workers. In such cases, the enterprises are organized so that the social laws which pertain to qualification industry are not applied in them. Similar processes have begun in Pakistan and have not received further development only in connection with the expansion of opportunities for skilled workers to travel to the countries of the Near and Middle East.

These processes in no way testify to the growth of the proletariat's class consolidation in the modern industrial sector. On an ideological level, the disintegration of the working class remains the leading trend in the countries of the East. It is difficult to say how things will be in the future; however, the prevailing of class consolidation over the other trends in the formation of the proletariat in the liberated countries still evokes great doubts. However, it is easier to reveal the resultant of the contradictory processes, which are connected with the formation of an Afro-Asian working class, by posing the question differently, for example: How do the proletariat of the liberated countries and the working class of the developed capitalist countries correlate statically and dynamically according to their most important indicators?

S. Kuznetsova: The considerable backwardness of the Afro-Asian proletariat when compared with the workers of industrially developed countries according to a number of important indicators does not evoke doubts in anyone. This is natural if only because of its relative youth. However, as I have already pointed out, the development processes of the working class in the liberated countries has an accelerated nature. Let us direct our attention, for example, to the socio-cultural factor to which V. I. Lenin attached great importance as a class-formation sign.

In the 19th century during the period of industrialization in Europe, the 10-12-hour work day, the widespread use of child labor and the paltry wages did not permit working people to even dream about satisfying their cultural needs. In order to study under such conditions, a worker had to possess genuine heroism-- there were only a few people like Pavel Vlasov. All of this was clearly reflected both in artistic and in scientific literature. For example, the budgets of urban working families are cited in special works on the condition of English workers during the years 1830-1914. Expenditures for cultural purposes are simply absent in them. In thoroughly analyzing the condition of Russian workers at the end of the 19th and the beginning of the 20th centuries, Yu. Kir'yanov investigates the questions of wages, the work day, food, and housing but he refers only fleetingly to the cultural needs of the workers.

A different picture was reflected in the sources of the second half of the 20th century which examined the living and working conditions of workers in the Afro-Asian world. Thus, numerous investigations, which were conducted in African cities, revealed rather high social and cultural needs of the workers. In 1969, the expenditures of skilled and semi-skilled workers calculated per one individual reached only 33 percent of the corresponding expenditures of the highest group (officials, officers and teachers) in Kinshasa (Zaire); nevertheless, expenditures for education in the families of both groups were almost identical. Consequently, the regularly undernourished workers sacrificed themselves in order to provide an education to their children. During the mid-Sixties, a questioning of the Dakar workers revealed that 52 percent of them had radio receivers; among the railroad workers of Kampala (Uganda), this indicator reached 60.5 percent. Thus, the Kampala data confirmed the trend in Kinshasa -- the inclination of African urban

workers for culture, often at the cost of seriously pinching themselves in food, clothing, etc. One of the trends in the accelerated maturity of a worker as a personality is demonstrated exactly in this. This is unthinkable without the broad spread of schools, newspapers, radio broadcasts, and now even television. As a result, the urban industrial proletariat in the countries of Asia and Africa is gradually acquiring a modern appearance.

S. Voronin: Apparently, it is no less important to examine the data on the changes from a different point of view.

A mass layer of industrial workers, who possess good -- according to the standards of the developing countries -- general educational training, has appeared with the rise of new production branches and of dozens of professions. They are receiving higher wages which insure a modern standard of living within certain limits. It is these workers that are primarily "approaching" the proletariat in industrially developed countries. In its turn, this is contributing to the change in the social make-up of the industrial proletariat in Asia and Africa in general.

It is known that the social and political potential of the working class is greatly connected with the manpower concentration level which in the factory and plant industry of many liberated countries was not greatly different from similar indicators in certain countries of Western Europe during the first postwar years. At the time, however, the concentration of migrant workers in the Afro-Asian world had a temporary nature since their composition was continually changing. At the present time, the main contingent of large-scale factories and plants is the experienced skilled workers. Is not the very fact of their existence the best proof of the fact that a trend toward the class consolidation of the proletariat in the liberated countries is prevailing, in any event, in a social economic and -- probably -- also in a social psychological aspect?

Ye. Popov: However, is the opposite tendency, namely, the growing differentiation in the ranks of the proletariat, now announcing itself outright? Moreover, Sergey Vladimirovich, you are putting too much stress on such indicators as education, qualifications, etc. It is known that they far from always reflect the actual situation in the developing countries. In my opinion, it would be much more fruitful to use social psychological and other similar characteristics of the working class.

G. Shirokov: It also seemed to me that our respected colleagues are in somewhat of a hurry to bring together the characteristics of the proletariat in liberated and industrially developed states and, as Yemel'yan Savel'yevich has correctly pointed out, they are doing this in no small degree for an emotional and psychological reason.

The science of the proletariat in the liberated countries has undergone two stages in its development. During the first one, researchers tried to find a resemblance to the processes which were taking place in the developed capitalist countries. Subsequently, beginning with the Sixties they devoted

their primary attention to the specific nature of the formation and condition of the working class in the developing countries. L. A. Fridman and S. V. Voronin tried to combine the results of the work that was done in both stages, that is, to show both the common general laws and the specific nature of the processes. However, the desire "to shift the accent" -- it seems to me -- at times leads to an overexaggeration of the community of characteristics and to an underestimation of the specific nature of the proletariat in the developing countries.

S. Voronin: Of course, the specific nature is great, but it would be incorrect to overexaggerate it.

Concerning the "formal aspect" of the indicators about which Yemel'yan Savel'yevich was speaking, they far from always reflect the actual state of affairs even in developed capitalist countries. For example, it is sufficient to recall that certain U. S. departments admitted recently that many Americans, who have a formal school education, indeed do not know how to read or write. Of course, social and psychological characteristics are very important in thoroughly appraising the level of development and "constitution" of the proletariat. A. Gudymenko, a Soviet scientist, convincingly showed 10 years ago the necessity for using them when studying the working class. However, a social and psychological research method, which is applicable to the proletariat of the developing countries, has still not been developed.

G. Shirokov: As far as we know, you, Margarita Nikolayevna, have begun work on this problem.

M. Yegorova: Yes, using Indian material. I would like to emphasize that a correct understanding of the role and influence of traditional forms of consciousness, of democratic and socialist ideas, etc., on the formation of workers in the developing countries is extremely important for a scientific analysis of the problem that has been raised. Without this, it is impossible to understand the world outlook of a worker and compile a picture of the system of his values, behavioral stimuli, different aspects of his religious awareness, and spiritual standards. Only this approach permits a researcher to understand, for example, the logic which guides an individual in his relationships with an employer. This "class attitude" can be different in an "untouchable", a worker from a tribe, a representative of a religious minority, and in a broader aspect -- a worker in a large-scale or small-scale enterprise, etc.

L. Fridman: We have again approached the key problem in our discussion: How "modern" is the proletariat of the Afro-Asian countries? Some of our participants think that the development indicators of the modern working class are being overstated. However, if one returns to Yu. Kir'yanov's serious book about the life of Russian workers and compares the material, which is located in it, with those "ideal" models, about which several discussion participants have spoken or which they have implied, it is possible to conclude that there was not any proletariat of a modern type in Russia at the end of the 19th and beginning of the 20th centuries. However, as is known, it existed and even



carried out the October Revolution. During this, the Russian proletariat underwent all of the complexities in the formation process, about which a great deal has been said here justifiably.

Let us return to the comparisons of the Afro-Asian proletariat with "Western" ones. In what sense are they coming together, and in what sense are they drawing apart?

There are workers, who are establishing their own enterprises, not only in India but also, for example, in Turkey. As a rule, this is typical of workers who are returning to their motherland from the West. In G. Diligenskiy's well-known monograph "Rabochiy na kapitalisticheskoy predpriyatii" [The Worker in a Capitalist Enterprise] that examines the French proletariat, it is shown that quite a few workers, including those who vote for left-wing parties, would like to acquire their own "business" or already have one. Another fact is also pointed out: some workers retain a line with the village in various forms. Of course, this does not provide any justification for thinking that there are no difference between the French and the Indian proletariats, but it does force one to think whether it is worthwhile to erect an insurmountable wall between them. Now, concerning the differences between the individual detachments and layers of the industrial proletariat in Afro-Asian countries. I pose to you the paradoxical question: Are there really no differences between workers in the south and north of Italy? Between Flemish and Walloon workers in Belgium? It turns out that many of those differences, which for some reason are being declared to be the specific nature of the East, are being observed in the countries of the West.

I will return to the question of the "disintegration at the ideological level". There exists the point of view that the proletariat's higher level of social, political and ideological maturity corresponds to its higher professional level. However, the history of the international worker movement convincingly shows that this "rigid" bond does not exist either in the Afro-Asian countries nor in any other one. For example, the number of the proletariat often "outstrips" the level of its organization (or vice-versa, as in Africa). As a result, the percentage of industrial workers, who are members of trade unions, is frequently higher here than in some developed capitalist countries. The same thing applies to the proletariat's ideological, intellectual and political development level. Do the representatives of the working class in certain Western countries -- a working class that is developed in a social and economic regard -- really vote for the most diverse, including reactionary, political parties? It is known, for example, that some workers voted for the conservatives during the last parliamentary elections in Great Britain.

The characteristics, which we have become accustomed to call class ones, are demonstrated more or less clearly during "sharp turns" in the development of a society -- during revolutions, state coups, mass demonstrations of the workers, general strikes, etc., when that, which unites the workers, moves to the forefront.

And so, what factors and types of relations predominate in the modern proletariat of the liberated countries: uniting, "intra-class" or "non-class" ones? As reality testifies, the structure of the proletariat is becoming more complicated and its differentiation (differences in wages, educational level, qualifications, etc.) is being intensified. If one considers only this trend, it is possible to think that the "disintegration" of the working class is occurring. But then it will reflect the situation only from one side. The nature of work itself and the objective condition of the workers in large-scale production lead to the fact that-- in the final analysis -- the factors which unite workers within the framework of a collective, branch or the entire economy are the paramount ones (especially during "critical" moments in social life).

M. Yegorova: But this "unity" is observed only at the level of "trade union consciousness"!

L. Fridman: That is completely correct! As a rule, it is just at this level. However, have not the workers in the West often raised themselves above it in their struggle. Let us note that in the United States, for example, the percentage of workers, who are united in a trade union, is extremely lower than in other capitalist countries. Consequently, a significant part of them has not risen there even to the "trade union" level of class-consciousness. The leaders of the majority of American trade unions call upon workers to vote for bourgeois parties. Is it possible to state that, according to this criteria -- that is, the level of class-consciousness, the Afro-Asian proletariat differs fundamentally from the working class in the West? Obviously not.

Examples from various countries in the West testify to this. For example, the English proletariat, who has travelled a very long path of development and struggle, is apparently immune to racial prejudices. There are, however, workers in the right-wing, nationalist, semi-fascist National Front. Along with the other supporters of the front, they share the idea that the "colored" are taking work from the British. Does this not testify to the fact that nationalist prejudices are, unfortunately, influencing several groups of workers in the West and the East?

Of course, the role of the modern and the traditional in the life of workers in the West and the East is different. The effect of Islam on workers in Muslim countries is, undoubtedly, a "specific feature" of the East. It is known that a significant portion of Iran's industrial workers marched during the anti-shah revolution with religious slogans painted in national and social colors. But have the Italian proletariat, for example, really been deprived of religious prejudices? A polarization is being observed among the workers of this country: One part of the workers is communist, socialist and anti-clerics; the other part is a prisoner of a religious ideology. Of course, the Catholic religion is not what it once was, but it does not cease being a religion. At decisive moments in history, its role as a factor for influencing the minds of workers has been very great in a number of European countries. Thus, the religious factor is not a specific feature of the consciousness of the Afro-Asian proletariat. Let us turn to ethnic factors. In Belgium, the

contradictions between the Flemish and the Walloons in the country's political life have moved to the forefront from time to time, stirring up the working class and the worker movement in general.

Thus, I return to my idea: It is impossible to follow the line of "fundamental difference" between workers in the developed and developing countries, using as proof the effect of traditional factors on the development of the working class. Of course, I am only talking about the fact that the importance of traditional factors as a specific feature in the formation of the proletariat in the East should not be overexaggerated, and not about belittling their actual role. It is important to see both sides of the medal when analyzing the formation process of the working class in liberated countries.

Ye. Popov: You, Leonid Abramovich, rightfully regard the formation of the working class from the point of view of the maturing and accumulation of its revolutionary potential. Revolutions, however, are different. Some confine themselves to the negation and destruction of the old as occurred in Iran; others open up a road to the new and the progressive. If one proceeds from the "potential for negation", that is, the readiness to protest against a cruel social and economic condition, then, it is really possible to find much in common between the workers of the West and the developing countries. However, from the point of view of society's progress, the ability of the proletariat to participate in the process of its transformation and the creation of new social, economic and political principles is extremely much more important. Here, the behavior qualities of workers in developing countries are very much different from those that we observe in the West.

G. Shirokov: I fear that our "Roundtable" has turned out to be quite asymmetrical: Everything has not been discussed equally. In any case, the exchange of opinions has helped to reveal the primary tasks that are facing researchers on such an important problem as the formation of the proletariat in the developing countries. Among these problems are the necessity to establish a system of indicators that will permit a clear quantitative and qualitative description to be given of the level, extent and stage of its development in individual countries; the enlisting of new representative materials; the determination of the role of factors, which hinder and -- on the contrary-- contribute to the social, economic, public, and political integration of the different detachments and layers of the working class; and the analysis of the relationship of modern and traditional elements in the social make-up of the proletariat that is connected with industrial branches, agriculture and the "third" sector of the economy. Finally, as the discussion has shown, the time has come to cast light upon the distinctive features in the interaction of the proletariat formation processes and the development of the worker movement. It seems that the more precise defining of the approaches and points of view of specialists will contribute to a more successful investigation of the urgent questions in the development of the working class in the liberated countries.

L. Birchanskaya, candidate of economic sciences, prepared the "Roundtable" material.

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## INTERNATIONAL

### ASOYAN BOOK ON U. S. USE OF MERCENARIES REVIEWED

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 8, Aug 84 pp 62-63

[Review by D. Korochantsev of book "'Dikiye gusi' ubivayut na rassvete" ["Wild Geese" Kill at Dawn] by Boris Asoyan, Politizdat, Moscow, 1984, 176 pages]

[Text] Mercenaries -- "soldiers of fortune", "wild geese", "dogs of war",.... Today, they are everywhere when imperialism, especially American, is trying to turn back the wheel of history; to implant systems, which would be welcome to it, by terror and violence; and to insure its predatory interests. In the international situation that has been aggravated through its fault, the hiring of mercenaries remains one of the main weapons with whose help the imperialists are trying to destabilize the situation in young independent states.

That is why "'Dikiye gusi' ubivayut na rassvete" ["The Wild Geese" Kill at Dawn], a new book by journalist and international pamphleteer Boris Asoyan, is very interesting. Its main virtue is its rich and carefully adjusted documentary material. A great deal of factual data is being cited for the first time in our literature. The information from rare sources, in particular, notes from personal conversations with the mercenaries whom -- as fate willed it -- the author had occasion to meet during his travels in Africa, has special cognitive value.

The counting on dictation and violence is the basis of the foreign policy of the imperialist powers headed by the United States. The book points out that their goals are to save their shaky neocolonialist positions in the world, to push a number of African countries (the author tells about events just on this continent) from the progressive path of development, to confer upon themselves the "right" to interfere arbitrarily in the affairs of sovereign states, to set them at loggerheads, and to undermine the anti-imperialist African unity, embodied in the Organization of African Unity.

B. R. Asoyan convincingly shows that the threads of manipulation by the mercenaries, as a rule, lead to Washington. From 1961 to 1976 alone, the author writes, the CIA organized 900 large-scale secret actions in Africa against "undesirable" leaders and governments. The intensity of the



subversive activity of the West, especially that of the United States, grew especially after the installation of the R. Reagan administration in the White House. In August 1981, a special commission of the House of Representatives of the American Congress adopted a resolution about the "need for timely financing of CIA secret actions in Africa" (p. 17).

The numerous recent facts, which have been assembled and carefully analyzed by B. R. Asoyan, testify that Washington, in raising international terrorism to the rank of its official policy, is directly financing plots, assassinations, sabotage, and subversive activity in all corners of our planet. The author examines in detail, using specific examples, operations involving mercenaries against Angola, Mozambique, Zimbabwe, the Seychelles islands, Uganda, the Central African Republic, and other countries, paying attention to the continuous participation of the American spy agency in them. Although the camouflage of these operations is becoming more refined, Washington's hand is visible both where the South African racist assume the role of skirmishers for themselves and there where Israeli, French or Belgian special services do this. The CIA participates not only in the recruiting and training of hired assassins but also directly in their actions. The atrocities in Namibia of the very large formation of mercenaries, which at one time was smuggled into the continent--the 32d Battalion, testify to this. B. R. Asoyan quite rightfully calls it the "tip of the iceberg of the army of mercenaries which the CIA and the Republic of South Africa have created to fight the liberation movements in Africa" (p. 67).

It is interesting that the recruitment of "dogs of war", which has been unleashed on an unprecedented scale in the United States, is a gross violation of American laws which forbid the hiring of any person on the territory of the United States to serve in the armed forces of a foreign state. Article 958 of the U.S. legal code forbids American citizens from entering the military service of a state which is in a state of war with a country with whom the United States is at peace. Today, however, are there countries with whom Washington maintains really peaceful relations? One cannot fail to agree with the conclusion to which B. R. Asoyan comes: "The activity of the CIA in Africa during the last 20 years directly falls under the American definition of terrorism: 'using force or the threat of force against individual persons, or groups of people, or governments to achieve political goals'" (pp. 17-18).

Thanks to the painstaking collecting and analytical work of the author, who performed extensive field investigations in Africa, the book is an outstanding contribution to the task of unmasking the institution of mercenaries. The African specialist and the general reader, who is interested in events in this part of the world, will benefit from reading it.

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CS0: 1807/10

## INTERNATIONAL

### STALIN'S 'CRUDE ABUSE OF POWER' RECALLED

LD291511 Moscow World Service in English 0631 GMT 29 Oct 84

[From the "Moscow Mailbag" program]

[Text] And here is a letter from Geoffrey (Pinchen) Hatlepool, Cleveland, Britain who asks: Could you clarify the Soviet view on the years of Stalin's leadership? We are often told in the West a lot of misinformation on this subject. What are the facts?

Well, the years of Stalin's leadership have to be viewed in connection with a concrete historical setting, assessing objectively both the positive and negative sides of his activities.

Stalin of course took an active part in the preparation and the triumph of the 1917 socialist Revolution in Russia and subsequently in the defeat of the counterrevolutionary forces and foreign intervention. Within a decade, this country, once one of the most backward countries of the world, built up a powerful economic potential and accomplished a cultural revolution. Stalin, of course, was at the helm of state at that time, which is not to say, however, that he was entitled to all the credit for the progress in this country. Stalin, however, overrated his personal contribution and came to believe in his own infallibility. After Stalin's death in 1953, the Soviet Communist Party denounced his transgressions of law and order and his crude abuse of power. In subsequent years, solid guarantees have been created against the repetition of violations of citizens' rights and against deviations from the norms of collective leadership.

CSO: 1812/34

## INTERNATIONAL

### VATICAN, FOREIGN EMBASSIES IMPLICATED IN UNDERGROUND CHURCH

Moscow APN DAILY REVIEW in English 15 Oct 84 pp 1-4

[Boris Chekhonin article: "Vatican's Anti-Soviet Campaign Ends in Political Scandal"]

[Text] The Vatican is being accorded an ever-growing role in the psychological war against the Soviet Union and other socialist countries. Washington seems to believe that it is time for the Catholic hierarchs to join in President Reagan's 'crusade' against the USSR. As a result, all sorts of absurd stories about the position of believers in the Soviet Union appear from time to time. One of them is about Vladimir Nikiforov, a Soviet citizen who, according to Radio Vatican, has 'suffered' recently for his religious convictions. Is this report true? Let us see whom Radio Vatican is defending and whether it strictly abides by the biblical commandment which says 'do not lie.'

I have before me a criminal case of Vladimir Nikiforov, a Soviet citizen born in Ufa in 1947. In March 1983 he was brought to trial for violating Soviet laws. He was charged with trying to found on orders from the Vatican an illegal 'catacomb church.' The court presented vast incriminating evidence against the defendant, including records of interrogations, testimony of witnesses and the results of experts' investigations. The main document used by the prosecution was the text of a confession made by Vladimir Nikiforov himself. In that statement, which was recorded on tape and on a video cassette, the defendant fully admitted his guilt, conceded that he was engaged in anticonstitutional activities and disclosed the details of the act of subversion organised by the Vatican against the Soviet Union, of which he was the executor.

In 1974 Vladimir Nikiforov met several French diplomats in a clergyman's home in Moscow. He was also introduced there to Jacques Leuf, a French clergyman who headed a centre for the study of religion and communism. 'It was under his influence and the influence of some members of the staff of the French Embassy in the USSR that I adopted antigovernment and anticonstitutional views,' Vladimir Nikiforov would later say in his confession.

Nikiforov's new acquaintances influenced him not only politically but also religiously. Nikiforov abandoned Russian Orthodoxy for Catholicism because his friends promised him that the Vatican would not only confer a priesthood

to him but would also grant him canonical rights equal to those of a bishop if he agreed to found an illegal catacomb church in the USSR.

In 1978 the Vatican sent from Poland to Moscow a Catholic university professor Chlewinski who was to prepare Nikiforov within 1 month for the adoption of a priesthood. The conferment was to take place in Poland. At that time one of the Vatican's leaders made a special relaxation of the rules for Nikiforov when he gave permission for conferment despite the fact that Nikiforov was married.

However, Nikiforov was unable to go to Poland. In the middle of 1980 he contacted Pope John Paul II through a member of the staff of the French Embassy in the USSR, S. Clair, and asked the Pope to send a bishop to Moscow for the conferment. French Bishop Charles de Provencheres arrived in the USSR on a fact-finding mission. It was decided to hold the conferment in Czechoslovakia where in April 1981 Duman Spiner, a bishop of the underground Catholic church, made Nikiforov a priest and granted him the canonical powers of a vicar-general in Moscow.

As Nikiforov would later testify, during his meetings and talks with the Vatican's representatives it was decided that the illegal community he would found would not pursue strictly religious objectives but would engage in anti-government propaganda.

How was the Vatican to reconcile this with its 'eastern policy' which provided for 'noninterference in the internal affairs of sovereign states' and 'nonsupport for the church-state conflicts'? As the Nikiforov case showed, the Vatican often says one thing and does another. The rest of this almost detective story bears this out well.

The task of directing the activities of the illegal community founded by Nikiforov was entrusted to none other than the Catholic chaplain of the U.S. Embassy in Moscow La Plantet.

That representative of the Roman Catholic Church had an unusual career. In private he liked to boast that he had been working for a long time among the Eskimos of North America. It seems that he wanted to use his experience of dealing with the aborigenes of the north in the Soviet Union.

'I am a plenipotentiary representative of the Vatican throughout the territory of the USSR where there is no organised hierarchy and, consequently, I hold all Soviet citizens in my trust,' La Plantet used to tell Nikiforov. La Plantet meant quite definite things by the word 'trust': the members of the community set up by Nikiforov were obediently to follow orders from the American chaplain. Those orders often had little to do with religious matters. La Plantet supplied Nikiforov and his followers with anti-Soviet literature and told them to distribute it among Muscovites. He also told them to write biased articles and other material about the position of believers in the USSR and send this material abroad using foreign embassies and tourists. Such materials were sent to a Roman priest, Romano Scalfi, who headed the organisation called 'Russico Cristiano'; to Helen Svindlas, a member of Amnesty



International in Holland; to French bishop Charles de Provencheres; to Simon Plummer, member of the staff of the Far Eastern section of THE TIMES of London. It was also recommended that such material should also be sent to some addresses in Poland and Czechoslovakia.

La Plantet repeatedly supplied Nikiforov with typewriters and speed-dubbing cassette recorders. He also provided Nikiforov with money not only for the preparation of such materials but also for the other activities of the illegal community. La Plantet handed equipment, money and slanderous and religious literature through a messenger, Elisabeth Cassani, a staff member of the Italian embassy in Moscow. The chaplain visited Nikiforov in his flat at least once a month. When making such visits he took the precautions which only a professional could know. Where did he learn them, in the Vatican or some other place?

La Plantet not only directed the illegal activities of the community in the USSR but also told Nikiforov how the latter should enlarge his community. That was done even through including the children of community members. In the autumn 1982 he met the Pope in the Vatican to report the progress he had made. La Plantet blurted this out to Nikiforov during their last rendezvous in 1982.

Everything has its end, however. La Plantet hurried to leave for Canada where he was given a parish in Quebec. The Soviet authorities put an end to the criminal activities of Nikiforov's community. Vladimir Nikiforov himself admits that his community was engaged in criminal activities.

'I want to assure you,' he said, 'that I will never violate Soviet laws again or assist the activities of foreign anticommunist centres. I have stopped all my illegal activities and promise never again to damage relations between the believers and the State.'

Taking into consideration that Nikiforov admitted his guilt and promised to stop his illegal activities, the court decided, in accordance with Article 50 of the Penal Code of the Russian Federation, to drop charges against him.

(APN, October 10. In full.)

CSO: 1812/34

## **INTERNATIONAL**

### **NICARAGUAN STUDENTS PARTICIPATE IN SUMMER LABOR BRIGADES**

[Editorial Report] Tashkent PRAVDA VOSTOKA in Russian on 11 October 84 carries on page 4 a 500-word article entitled "They Labored Gloriously" summing up the results of the summer labor semester. The article reports on a joint Soviet-Nicaraguan construction brigade named after the Nicaraguan hero Sandino working in Tashkent. The total wages of the students, amounting to 5,000 rubles, were given to "revolutionary Nicaragua." Other Soviet-Nicaraguan construction brigades were also formed at the Tashkent Agricultural Institute and the kolkhoz imeni Lenin. The wages of these students were donated to the Peace Fund. The student construction brigade "Friendship-84" transferred 2,800 rubles to Nicaragua.

### **DELEGATION FROM AFGHANISTAN VISITS TURKMEN SSR**

[Editorial Report] Ashkhabad TURKMENSKAYA ISKRA in Russian 28 October 1984 carries on page 2 a 200-word article on a visit by a delegation of businessmen from the Democratic Republic of Afghanistan from 17-27 October. The delegation visited the Turkmen SSR Ministry of Trade, and the Ashkhabad oblast Council of People's Deputies, to "familiarize themselves with the economic, cultural, and social development of the oblast." On 28 October, the delegation left for Tashkent.

CSO: 1830/96

## INTERNATIONAL

### BRIEFS

**SOVIET AID TO ETHIOPIA**--Considering the appeal of the Government of Socialist Ethiopia and guided by the friendly character of Soviet-Ethiopian relations and the principles of international solidarity, the Soviet Government has made a decision to render aid to Socialist Ethiopia in liquidating the serious consequences of the protracted drought that has stricken a number of regions of the country. Food products, cistern trucks for transporting drinking water, well-drilling equipment, and a group of specialists for maintaining the equipment are being sent from the Soviet Union for the population of Socialist Ethiopia, suffering from the drought. In the near future they will send to Ethiopia a significant number of vehicles with drivers, transport planes and helicopters with crews, and the necessary material-technical means for transporting food and medicines into hard-to-reach territories of the country and for evacuating the population from disaster areas. [Text] [TASS] [Minsk SEL'SKAYA GAZETA in Russian 1 Nov 84 p 3]

**TASHKENT HOSTS INDONESIAN VISITORS**--The general director of the Indonesian Information Agency Antara, Vice-Marshall of Aviation Sh. Tranggono and administrative director of the agency I. Albandzhar, currently in our country on the invitation of TASS, are becoming acquainted with life in Uzbekistan. They met and spoke with journalists at the Uzbek Information Agency and with members of the editorial board of the newspaper SOVET UZBEKISTONI. [Excerpts] [UzTAG] [Tashkent PRAVDA VOSTOKA in Russian 3 Oct 84 p 3]

**MOROCCAN PARTY OFFICIAL IN UZBEKISTAN**--Member of the Central Committee Politburo of the Party of Progress and Socialism of Morocco, Muhammed Ben-Bela, is becoming acquainted with life in Uzbekistan. On 11 October the guest was received at the Uzbek CP Central Committee. He will also make a trip to Samarkand. [Excerpts] [Tashkent PRAVDA VOSTOKA in Russian 12 Oct 84 p 2]

CSO: 1807/88

## REGIONAL

### SHEVARDNADZE CALLS FOR FINANCIAL DISCIPLINE AT AKTIV

Tbilisi ZARYA VOSTOKA in Russian 27 Sep 84 pp 2-5

[Speech by Candidate Member of the Politburo of the CPSU Central Committee and First Secretary of the Georgian CP Central Committee E.A. Shevardnadze at the meeting of the Georgian party and economic aktiv on 26 September 1984: "On the Tasks of the Party, Soviet and Economic Organs of the Republic on the Further Tightening Up of Financial and Credit Discipline and the Improvement of Budgetary Relations and Money Circulation in the National Economy"; Passages rendered in all capital letters printed in boldface in source]

[Text] Comrades!

THE QUESTION OF THE FURTHER TIGHTENING UP OF FINANCIAL AND CREDIT DISCIPLINE AND THE IMPROVEMENT OF BUDGETARY RELATIONS AND MONEY CIRCULATION IN THE NATIONAL ECONOMY, which is being submitted today for the consideration of the meeting of the party and economic aktiv of the republic, is among the most complex and important economic problems.

Finance is often called the mirror of the entire economy, while money circulation acts as a reflection and a most important criterion of basic economic processes. These categories are, thus, as if A CONCENTRATED EXPRESSION OF THE QUALITY OF ALL OUR ECONOMIC AND MANAGEMENT ACTIVITY and at the same time serve as EFFECTIVE LEVERS OF MANAGEMENT. And therefore it is extremely important to turn the party, soviet and economic organs to face them. Today an enormous and in practice still unexplored bed of reserves of the further increase of the efficiency of social production lies in precisely this sphere.

Financial and monetary relations in unity with the production of material wealth, the forms of property and economic conditions are correctly regarded by our economic science as A COMPONENT OF PRODUCTION RELATIONS.

Naturally, much is being done to bring them in line with the rapidly developing productive forces of our society. Several important decisions on the further improvement of the finances of enterprises and sectors of the national economy and the strengthening of state finances have been adopted.



However, and this must be admitted with all frankness, the search in this direction is being conducted slowly in our republic, the range and sphere of its coverage are narrow, the intensity of the changes taking place is inadequate, there is too little novelty and creative boldness, creative experimenting. That is why, IN ATTACHING PARAMOUNT IMPORTANCE TO THE IMPROVEMENT OF PRODUCTION RELATIONS IN GENERAL, CONCERN ABOUT THE IMPROVEMENT OF FINANCIAL AND MONETARY RELATIONS MUST BE CONSTANTLY DISPLAYED. The new stage of the development of our economy, the new conditions of the reproduction process and the requirements of the level and growth of the productive forces of mature socialism gave rise to such a need.

We should constantly strive for the improvement of the financial and banking system, regarding it as a part of the statewide mechanism of the management of the economy. And this is no longer only an economic, management, but also a political problem, a matter of not only financial and banking, but also party and state organs, labor collectives and the broad masses of working people.

Take, for example, the questions of management and the increase of the basic economic indicators, which in recent years we have studied very intensively. There are significant results here. Substantial experience in the area of management and the improvement of the economic mechanism, which as a whole was endorsed in the decree of the CPSU Central Committee, has been gained. High growth rates are characteristic of the economy.

According to a tentative estimate, in 4 years of the 11th Five-Year Plan the gross national product will have increased by 20.3 percent and the produced national income--by 21.7 percent; industrial production will have increased by 22.3 percent, while the average annual amount of the gross output of agriculture will have increased by 12.2 percent, the amount of capital investments--by 20 percent, the productivity of national labor--by 19.6 percent, including by 19.4 percent in industry, the per capita real income will have increased by 15 percent, the retail commodity turnover--by 16.1 percent, personal services--by 42.5 percent.

Beginning in 1973, the republic has annually been awarded the Challenge Red Banner of the CPSU Central Committee, the USSR Council of Ministers, the AUCCTU [All-Union Central Council of Trade Unions] and the All-Union Komsomol Central Committee. Thus, an efficient system of management and monitoring with respect to the basic, if it can be expressed this way, visual socioeconomic indicators, which are taken into account when summing up the All-Union Socialist Competition, has been organized in our republic.

Meanwhile, with the further intensification of production, when the reserves lying at the surface are being depleted more and more, the urgent need ALSO TO EXAMINE WELL THE DEEP-SEATED PROCESSES, WHICH ARE THE BASIS FOR THE INCREASE OF THE EFFICIENCY OF NATIONAL ECONOMIC ACTIVITY, is arising. It must be stated frankly that such most important economic categories as finance and credit, pricing, money circulation, the balance

of the amount of the monetary stock and their covering and much more for the present still remain, in reality, outside the purview of our party committees.

It is possible, of course, to reply that many of these categories are mainly the prerogative of union organs of management. But the situation with such problems as the improvement of management, the improvement of the economic mechanism and so on is also similar. Meanwhile, we are active participants in, and at times also the initiators of these very important processes.

Moreover, we have the right to regard the active participation of our party organization in the creative search in this direction and the possibility of experimentation and the display of useful initiative as THE PRACTICAL EMBODIMENT OF THE GREAT ACTUAL DEMOCRATISM OF THE SOCIALIST ORDER AND THE SOCIALIST SYSTEM OF MANAGEMENT, when the republic can not only in accordance with constitutional law, but also in essence make a significant contribution to the development and improvement of the economy of our state. We are convinced that THE MANY YEARS OF EXPERIENCE OF IMPROVING ECONOMIC ACTIVITY AS A WHOLE ENABLE US ALSO TO HOLD A WORTHY PLACE IN THE IMPROVEMENT OF FINANCE AND MONEY CIRCULATION.

We are counting on the active support of the union Ministry of Finance, the boards of the USSR State Bank and the All-Union Bank for Financing Capital Investments and other financial and credit organs of the country, to the executives and collectives of which we are very grateful for invariable assistance in the matters of the strengthening of the financial base of the national economy of the republic, the implementation of various economic innovations and so on.

Today, in our opinion, the objective conditions are ripe to examine these problems in combination, thoroughly and comprehensively. Moreover, we are discussing them for the first time in such a broad group and therefore have tried in individual cases to give somewhat in detail a number of concepts and to lend elements of seminar studies to the discussion. This is entirely justified. Along with workers of financial and credit organs and economic services, scientists and specialists party and soviet executives and organizers of production, many of whom are not able to use fully enough these economic categories, are taking part in our meeting. We are proceeding from the fact that AT THE PRESENT STAGE IT IS EXTREMELY NECESSARY TO PROVIDE OUR AKTIV WITH THE NECESSARY KNOWLEDGE IN THE AREA OF FINANCIAL AND CREDIT RELATIONS AND MONEY CIRCULATION, THE ABILITY IN EACH SPECIFIC CASE TO SEPARATE THE CAUSES OF PHENOMENA FROM THE CONSEQUENCE, TO DETERMINE THE MAIN TASKS AND THE MOST URGENT PROBLEMS AND TO ANALYZE THE FORMING TRENDS.

On the other hand, analysis for us, of course, is not an end in itself, it should serve for specific conclusions and recommendations. On the basis of our own experience we have been convinced that many problems of the financial and economic plan and money circulation also lend themselves to solution at the level of the republic and even its individual regions.

ANOTHER GOAL OF OURS IS TO OUTLINE THE MEANS OF CONCENTRATING THE EFFORTS OF PARTY, SOVIET AND ECONOMIC ORGANS IN THIS DIRECTION.

Finally, another important task is TO FORMULATE AND SUBMIT TO UNION ORGANS CONSTRUCTIVE SUGGESTIONS ON INDIVIDUAL QUESTIONS, WHICH DO NOT LEND THEMSELVES TO SETTLEMENT AT THE LEVEL OF THE REPUBLIC, AND TO EXTEND EXPERIMENTATION IN THE SPHERE OF FINANCIAL RELATIONS AND MONEY CIRCULATION.

In what does the peculiarity of our meeting today consist, in what does its fundamental importance lie? I would say the following: THIS MEETING OF THE AKTIV IS AIMED MAINLY AT SHIFTING FROM THE STATEMENT OF INDIVIDUAL FACTS AND PHENOMENA IN OUR FINANCIAL SYSTEM TO PURPOSEFUL ORGANIZING WORK IN THE AREA OF THE IMPROVEMENT OF FINANCIAL RELATIONS AND AT DEVELOPING THE INITIATIVE AND INDEPENDENCE OF OUR PERSONNEL IN THIS AREA AS WELL.

This meeting of the party and economic aktiv pursues such goals, and therefore its decisions should be as a whole of AN APPLIED, PRACTICAL NATURE.

#### I.

As is known, the national income of the country, that is, that portion of the gross national product, which is created by newly expanded labor, is the source of the existence and development of society. Under the conditions of the socialist system this is the property of the people, which is distributed and redistributed for the purpose of increasing the level of their material well-being. Moreover, under the conditions of commodity-money relations such as a movement of the gross national product and the national income initially takes place in monetary form. Specific stocks of resources, the need for the formation of which K. Marx indicated in "Critique of the Gotha Program," are formed in the process of their distribution and redistribution.

THE ECONOMIC RELATIONS, WHICH EMERGE IN SOCIETY IN CONNECTION WITH THE DISTRIBUTION AND REDISTRIBUTION OF THE GROSS NATIONAL PRODUCT AND THE NATIONAL INCOME AND WITH THE FORMATION AND USE OF THE CORRESPONDING STOCKS OF MONETARY RESOURCES, ARE THE FINANCIAL RELATIONS OR, IN SHORT, THE FINANCES OF SOCIALIST SOCIETY.

The financial system is, on the one hand, the set of all financial institutions of the country, which carry out the mobilization and distribution of monetary assets, as well as the monitoring of their use. On the other hand, it is possible to regard it as the set of different spheres of the formation of financial relations. In this case it includes the finances of socialist enterprises and the sectors of the national economy and statewide finances which consist, in turn, of the State Budget, the budget of state social insurance, state personal and property insurance and state credit. Apparently, it would be correct to call this set of financial relations THE SYSTEM OF FINANCES.

THE FINANCIAL RELATIONS, WHICH FORM AT ENTERPRISES AND IN THE SECTORS OF THE NATIONAL ECONOMY, that is, wherever material wealth is created and the foundation of the functioning of all the other forms and types of finances and financial and monetary relations is laid, are the initial unit and basis of the existence of the entire financial system and the system of finances.

Therefore, in recent years we have been devoting close attention to the problems of the financial status of the enterprises and sectors of the national economy of the republic and have been linking more and more closely with them the questions of the quality of economic activity as a whole. We have been criticizing more and more frequently and pointedly the managers of those enterprises and economic organizations which, even while having high volume and other economic and production indicators, nevertheless are not able to settle accounts with suppliers and banks, have large gaps in the working capital and violate financial discipline.

Enterprises and organizations operate in our country, as you know, on the basis of the principles of cost accounting, when at the cost of what expenditures the output is produced and the ultimate impact is achieved, acquires decisive importance. Our party regards the further strengthening of cost accounting principles as one of the basic directions of its economic strategy, which Comrade K. U. Chernenko has always indicated in his reports and speeches.

Under such conditions the increase of the level of financial and economic work at enterprises, organizations, ministries and departments and the ability to count scrupulously every state kopeck are acquiring decisive importance. We are far from indifferent to how, how efficiently and purposefully one enterprise or another uses the assets and resources which are at its disposal.

The level of financial discipline in the national economy of the republic is arousing our serious anxiety, which has been spoken about more than once. There is much mismanagement, other serious shortcomings and violations. It is possible to approach them from different angles. But, as it seems to us, THE QUESTION OF THE FORMATION AND EFFICIENT USE OF INTERNAL AND BORROWED WORKING CAPITAL at present is most urgent. WE ARE BECOMING MORE AND MORE CONVINCED THAT THIS IS THE KEY TO MANY OTHER FINANCIAL PROBLEMS OF OUR ENTERPRISES AND THE MAIN CAUSE OF THE UNSATISFACTORY FINANCIAL STATUS OF MANY OF THEM.

Under the conditions of capitalism the employer, who squanders his own working capital, inevitably finds himself on the verge of total bankruptcy. The humanistic principles, which are incorporated in the basis of the socialist system of management, dictate a different approach. Even in the absence of the corresponding financial resources enterprises do not cease operation, covering the expenditures on production from their internal working capital, the making up of the shortage of which the state sometimes takes upon itself.



This, of course, makes it possible to avoid sharp disruptions and to increase systematically the production of products which the country needs. At the same time we are noticing that some managers have begun to display dependent sentiments and have forgotten how to keep count of money, to manage efficiently and to observe the basic principles of cost accounting. It is necessary to look more deeply into all this.

Since the beginning of this year about 2,500 economic organs of the republic have had a shortage of internal working capital in the amount of about 490 million rubles. Moreover, the proportion of credits of the bank and other borrowed resources in the working capital and cash and disposable stocks is increasing.

Bank loans and other borrowed resources were always used for covering the temporary needs of economic organizations. But when they become the basic sources of the formation of working capital, this is already a signal that not everything in the economy is all right. For it is necessary to pay for borrowed assets, and to pay not all that little. In 1983 alone the economic organizations of the republic paid as interest on bank loans more than 250 million rubles. Not to mention the overdue loans, for which it is necessary to pay higher interest.

To what is the shortage of internal working capital in such large amounts due? This is a fundamental question, especially as it would be incorrect to explain everything by mismanagement alone. The imperfection of financial planning and formal factors also have an effect.

FIRST, the supply of enterprises with working capital is very adversely affected by SHORTCOMINGS IN ITS NORM SETTING. The Georgian CP Central Committee and the republic Council of Ministers adopted a special decree on questions of the improvement of the system of standards. Many ministries and departments have formulated sound standards. As a result during the examination in union organs of the draft of the republic budget for 1983 their individual requests were met.

However, the gap between the standards and the actual needs of enterprises and sectors is still large, due to which they are constantly experiencing a financial strain. According to the lowest estimates, to bring the amount of the standards of working capital in line with the actual needs for it THE REPUBLIC ECONOMY WILL NEED ADDITIONAL ALLOCATIONS IN THE AMOUNT OF SEVERAL HUNDRED MILLION RUBLES.

It does not seem possible to solve this problem completely by means of intrarepublic resources. Therefore, we are asking the republic Council of Ministers with the participation of the Ministry of Finance, the State Planning Committee and the Georgian Offices of the State Bank and the All-Union Bank for Financing Capital Investments to prepare carefully all the necessary calculation and analytical materials and to OBTAIN THEIR CAREFUL CONSIDERATION IN THE APPROPRIATE UNION ORGANS.

WE SHOULD BEGIN THE 12TH FIVE-YEAR PLAN, HAVING A HEALTHY FINANCIAL SYSTEM IN ALL THE SECTORS, AT EVERY ENTERPRISE AND IN EVERY ORGANIZATION.

SECOND, the state of the financial system in many ways depends ON THE FULFILLMENT OF THE FINANCIAL PLAN AND, FIRST OF ALL, ITS REVENUE PART. The basic source of revenues of the enterprises is the profit from the sale of products, jobs and services. Many of our economic organizations are ensuring profitable operation and are deriving a profit in the necessary amounts. The obligation on the additional decrease of the product cost by 0.5 percent, which was assumed by the republic at the December (1983) CPSU Central Committee Plenum, is being successfully realized.

At the same time during the past years of the 11th Five-Year Plan in the national economy of the republic planned profit of more than 435 million rubles was not received. Of course, the consequences of natural disasters and the large shortfall of the harvest of grapes and several agricultural products due to unprecedented hail damage and other natural phenomena were manifested in this. But it is a matter not only of weather. Figuratively speaking, WE NEED DIFFERENT WEATHER IN THE FINANCIAL SYSTEM ITSELF.

Thus, the republic Ministry of Light Industry in 3 years of the five-year plan failed to provide as against the plan more than 45 million rubles of profit, while having paid during the same period as fines and forfeits a much larger amount--67 million rubles. It is not necessary to be an economist to understand that given a different style of management this ministry could have exceeded significantly the plan of the profit.

An unfavorable financial situation also formed at the enterprises of the ministries of the food and the timber and wood processing industries, the fruit and vegetable industry, the construction materials industry, construction and rural construction. Last year 30 enterprises and organizations of union subordination did not ensure the fulfillment of the plan of the profit or allowed above-plan losses.

Individual cases convince us that some managers and workers of financial and economic services in general regard the indicator of the profit as some kind of abstract and secondary indicator and easily resign themselves to its unsound planning. How else is one to explain that with a planned increase of the volume of sales of products for this year by 8.6 percent the plan of the profit was specified for the same Ministry of Light Industry with an increase by more than 29 percent, while as against the actual fulfillment of the balance sheet profit by 70.3 percent? For it is entirely clear that given such an apology for planning the fulfillment of this indicator is obviously doomed to complete failure.

The question of the practicability of the plan of the profit has also not been settled, for example, with respect to the Ministry of the Food Industry. But no one is sounding the alarm, it is as if nothing particular has happened. But the payments to the budget, the replenishment and increase of working capital and the deductions for the economic stimulation funds are computed on the basis of these calculations. Hence, all these calculations are also unreal, and the financial status of the given

ministries is deteriorating even more. What kind of cost accounting is this? Moreover, the republic budget will not be able to obtain deductions from the profits in the planned amount, not to mention above-plan receipts, for even the fulfillment of the plan is out of the question.

The attitude of the executives of enterprises, associations, ministries and departments toward the profit and the factors, on which its formation depends, should change radically. They should be held just as strictly accountable for the fulfillment of the plans in this area as for the fulfillment of the volume indicators, the obligations on deliveries and so on.

We expect from Comrades N. A. Chitanava, D. N. Dvalishvili and V. A. Pateishvili in a period of 2 to 3 months SUGGESTIONS ON THE FURTHER IMPROVMENT OF THE SYSTEM OF THE MANAGEMENT OF THE PROFIT IN THE REPUBLIC for their consideration in the Central Committee and the republic Council of Ministers.

THIRD, many enterprises are "eating through" their working capital, since, without taking into consideration the actual need and the available financial possibilities, they are delivering raw materials and materials in excess of the norms, as they say, for future use. The payment for them, of course, is not envisaged by any plan, the bank does not issue a loan for them. At the beginning of this year just at the enterprises and organizations of the republic group the above-standard surpluses of physical assets, for which credit had not been extended, came to more than 324 million rubles.

Especially many above-standard surpluses of physical assets have formed in the system of the State Committee of Agricultural Production, the Ministry of Local Industry and the Ministry of Housing and Municipal Services. This, of course, is a gross financial violation, but we usually do not go farther than its recording at the level of financial and banking organs and the republic government, while the situation is worsening from year to year.

Let us speak frankly, it is possible to understand some economic managers in this sense. They are worried about the smoothness of production and want to have a reliable reserve under the conditions of the known limitations in material and technical supply. But why should all this be a heavy load on the shoulders of enterprises? It is necessary to find some other, acceptable solution and to increase the role and participation of supply organizations, especially the republic State Committee for Material and Technical Supply. It is necessary to adjust better the mechanism of the realization of above-standard surpluses. The rights of enterprises in this respect to a certain extent are limited, but the organs of the State Committee for Material and Technical Supply for the present are still not giving them the necessary assistance. Apparently, the enterprises, ministries and departments themselves should display great initiative and great commercial flexibility.

FOURTH, our industry is still producing items, which are not backed by orders and, moreover, are of low quality. Such products subsequently, as a rule, are not sold and accumulate as dead weight in the warehouses of enterprises. According to the data of the Central Statistical Administration, THE ABOVE-STANDARD SURPLUSES OF FINISHED PRODUCTS on 1 April of this year in industry of the republic group came to 222 million rubles. They are especially large at canning enterprises, in the Ministry of Light Industry, the Ministry of the Food Industry, the State Committee of the Tea Industry and so on.

At the Gabdabani Knitwear Factory of the Ministry of Local Industry, and this is a quite small enterprise, during 1979-1982 finished products in the amount of more than 2 million rubles accumulated. They were shipped and returned several times, were reduced in price, but even after this remained unsold. This is not the only example of how one must not manage. And we cited it not by chance. We communicate almost weekly with First Secretary of the Gardabanskiy Rayon Party Committee Comrade O. M. Bokeriya and consider him a good manager and organizer. Nevertheless the rayon committee has not once raised this problem. The matter is that the rayon and city party committees and the soviet executive committees should investigate more specifically these complicated processes.

FIFTH, it is necessary to increase sharply the level of PAYMENT AND SETTLEMENT DISCIPLINE and to improve THE ECONOMIC AND LEGAL WORK of economic organizations. The state of settlements with suppliers and consumers and the observance of the assortmental structure of the products being supplied should be followed in a more principled and demanding manner.

On 1 July of this year the nonpayments on loans of the State Bank and on settlements with suppliers reached in our republic a fantastic figure--nearly 1,394,000,000 rubles. But, on the other hand, 1,372,000,000 rubles had been diverted to accounts receivable.

A few words separately about the state of payment discipline in the Ministry of the Fruit and Vegetable Industry. Of the 258 enterprises 161 here have nonpayments in the amount of 257 million rubles. On our instructions specific steps were taken on the improvement of the financial situation of the enterprises and associations of this ministry. However, the steps being taken, as a rule, are one-time steps and are not providing the proper impact. Apparently, Comrades N.A. Chitavana, O.G. Vardzelashvili, N. D. Rukhadze, T. K. Dzhabadari and D. K. Kekenadze and the workers of the State Planning Committee and Ministry of Finance of the republic need to investigate more thoroughly the problems of the Ministry of the Fruit and Vegetable Industry and to make constructive suggestions. The government of the republic needs to deal constantly with them.

The economic experiment, which is presently being conducted in a manner of sectors of the country, particularly in the USSR Ministry of the Electrical Equipment Industry, is affording abundant opportunities for the



further improvement of the financial activity of enterprises and organizations. This is natural, for IT IS IMPOSSIBLE TODAY TO SPEAK SERIOUSLY ABOUT THE IMPROVEMENT OF THE ECONOMIC MECHANISM, WITHOUT DEALING CLOSELY WITH THE TIGHTENING UP OF FINANCIAL DISCIPLINE AND THE IMPROVEMENT OF CREDIT RELATIONS, WITHOUT DISPLAYING THE UTMOST CONCERN ABOUT THE FORMATION OF PROFITS AND OTHER INDICATORS OF EFFICIENT MANAGEMENT.

Thus, in 7 months of this year at the enterprises of the electrical equipment industry, which are located in the republic and are covered by the experiment, the additional saving from the decrease of the product cost came to more than 1.7 million rubles. For the Elektrovozostroitel' Production Association, the managers of which we recently criticized sharply for the difficult financial situation, the saving from the decrease of the production cost in 8 months came to about 300,000 rubles, while during a similar period of last year overspending in the amount of more than 800,000 rubles was allowed here. In a comparatively short time a balance sheet profit in the amount of about 2 million rubles was derived, which is nearly twofold more than the plan assignment.

What has been said once again confirms that our FINANCIAL AND BANKING INSTITUTIONS SHOULD SET UP THE MORE STRICT MONITORING OF THE SPECIAL-PURPOSE USE OF THE WORKING CAPITAL OF ENTERPRISES AND ORGANIZATIONS AND INFLUENCE EFFECTIVELY THE FORMATION OF THE PROPER STYLE OF WORK OF THEIR FINANCIAL AND ECONOMIC SERVICES. Local party, soviet and economic organs, which are called upon TO INFLUENCE PRACTICALLY AND SPECIFICALLY THE IMPROVEMENT OF OUR FINANCIAL SYSTEM, should investigate these questions more thoroughly.

Enormous reserves for the substantial improvement of financial and economic work are coming to light in THE AGROINDUSTRIAL COMPLEX OF THE REPUBLIC and especially in AGRICULTURE. We have already noted somehow that this is actually an untouched expanse.

Individual initiatives in this sphere have yielded a very impressive impact. The system of the equalization of the economic conditions of kolkhozes and sovkhoses by means of a subsidy fund, which is formed through purchase price reductions for highly profitable crops which are sold to the state by economically strong farms, has shown itself to advantage. In the past 13 years 215 million rubles have been allocated in this way for the strengthening of the economy of unprofitable farms and farms with a low profitability.

Moreover, markups on the purchase prices for agricultural products, which are sold to the state by unprofitable farms and farms with a low profitability, in the amount of 160 million rubles have been approved in conformity with the decisions of the May (1982) CPSU Central Committee Plenum.

As a whole as a result of the taken steps the number of unprofitable kolkhozes, sovkhoses and interfarm enterprises decreased last year along

line of the State Committee of Agricultural Production by 290, and more than 94 percent of the farms completed the year with a positive result.

An economic conference on the problems of the agroindustrial complex was held recently in the republic, and now the strict monitoring of the implementation of the recommendations, which were drawn up at it, should be established.

First of all this concerns the increase of the efficiency and profitability of the production of basic agricultural crops. An individualized approach is needed here.

For example, in Tsalendzhikhskiy Rayon the overall profitability of the public sector last year came to 33 percent--a very high indicator. Meanwhile it was ensured exclusively by the production of high quality tea leaves, since all the remaining products here are unprofitable. In Makharadzevskiy Rayon only tea and citrus are profitable, while the remaining sectors are unprofitable.

The situation in Chokhataurskiy, Gegechkorskiy and other rayons is similar.

It is time for us TO INVESTIGATE MORE THOROUGHLY THE QUESTIONS OF THE PROFITABILITY OF THE PRODUCTION OF INDIVIDUAL AGRICULTURAL PRODUCTS BOTH ON THE SCALE OF THE REPUBLIC AS A WHOLE AND WITH A BREAKDOWN BY INDIVIDUAL RAYONS. Otherwise the impression is formed that some managers of wealthy farms have simply forgotten how to count state money.

The ORGANIZATIONAL POSSIBILITIES, which appeared with the establishment of rayon agroindustrial associations, must also be used better. Centralized funds are in their hands, the basic levers of the planning and distribution of material and financial resources, capital investments as well as credits of the State Bank are concentrated in their hands. They, thus, are able to actually influence the improvement of the economic and financial activity of kolkhozes and sovkhoses, other enterprises and organizations, to contribute to the consolidation of cost accounting in the countryside, the improvement of the quality and the decrease of the production cost of products, to ensure the preservation and special-purpose and efficient use of working capital and so on.

Apparently, owing to RAPO's [rayon agroindustrial associations] IT IS ALSO POSSIBLE ON THE SCALE OF THE RAYON TO STRIVE FOR THE EQUALIZATION OF THE ECONOMIC CONDITIONS OF SOME FARMS OR OTHERS. It is necessary to use such possibilities more boldly, but in so doing to be extremely wary so as not to allow encroachment upon anyone's interests and not to give rise to dependent sentiments among certain relatively weak kolkhozes and sovkhoses.

The assets of the centralized funds are frequently allocated for the strengthening of the economy of SERVICE AND PROCESSING ENTERPRISES. This

is also a great reserve of the improvement of their financial status. The investments in this sphere in case of their skillful use usually are rewarded rather well. Thus, the kakhatskiy and Vani small-scale factories for the processing of tea leaves, which were built by means of centralized funds, last year yielded a profit in the amount of 870,000 rubles and 225,000 rubles respectively.

Of course, the IMPROVEMENT OF ACCOUNTING PRICES plays an important role in increasing the profitability of the operation of processing enterprises and farms, but this lever is now practically not being used. It is necessary to expedite the elaboration of this problem. For the present we practically do not have sensible suggestions in this respect.

The questions of the improvement of the financial status of CONSTRUCTION ORGANIZATIONS require more attention. Here they are most urgent, especially as contractors have to pay with the ruble for literally any disruptions and omissions. IT IS ALSO NECESSARY IN CAPITAL CONSTRUCTION WITH THE USE OF FINANCIAL SANCTIONS TO INCREASE GRADUALLY THE ROLE AND RESPONSIBILITY OF CLIENTS. Indebtedness for projects, which have been placed into operation, must not be allowed. Unplanned and above-estimate operations, as well as the construction of projects, which are not backed by financing, should also be eliminated. We know that a very strict decree in this respect was adopted a few days ago.

The question of the further improvement of the style of work of THE GEORGIAN OFFICE OF THE ALL-UNION BANK FOR FINANCING CAPITAL INVESTMENTS AND ITS LOCAL INSTITUTIONS is acquiring particular importance. The Georgian CP Central Committee has repeatedly directed the attention of comrades to the serious shortcomings in the monitoring of the observance of state planning, financial and accounting discipline in capital construction and to the major miscalculations in personnel policy.

We regard Comrade Z. G. Gendzekhadze, chief of the Georgian Office of the All-Union Bank for Financing Capital Investments, as an honest, principled man and a skilled specialist, who has a good understanding of the problems of the financing of and the extension of credit to construction organizations. However, he should devote serious attention to the radical improvement of the style and methods of the supervision of the staff of the office and its local organs. It is necessary to increase the adherence to principles and the demandingness in pursuing state credit policy, a strong barrier to any kind of violations, additions and deception should be erected, the formation of the plan of capital construction of the republic and the process of the concentration and more complete use of capital investments should be influenced more effectively.

We have many unused possibilities for increasing the efficiency of financial activity and tightening up financial discipline in transportation and other sectors.

First of all, THE REPUBLIC MINISTRY OF FINANCE, which is the main supervising organ in the area of financial and economic activity, is being

made responsible for their skillful involvement in the matter. Much is being done in this direction. Minister Comrade D. N. Dvalishvili headed this collective during the very difficult time, when the recollections of the criminal activity of his predecessor and the group of auditors, which was sheltered by him, were still fresh. Comrade Dvalishvili, and not only him, had to exert considerable efforts in order to bring the collective out of the quite understandable shock. The collegium of the ministry and the party organization of the staff have begun to resolutely get rid of casual people and people with a tarnished reputation. And it must not be permitted that someone, in remembering the past, would not always evaluate objectively and properly the complicated, painstaking, at times tedious, exhausting work of the Ministry of Finance.

In recent times the ministry has broadened the sphere of its activity has not confined itself to the group of departmental interests, has been working intensively in the direction of the improvement of the economic mechanism of the republic and the increase of the role of finance in the efficient operation of this mechanism and has been actively supporting the economic experiments which are being conducted in our republic. The Ministry of Finance is seeking resources for making up the shortage of working capital of individual ministries, departments and even enterprises, is taking an active part in the improvement of the link of science with production and so on.

However, we judge the efficiency of the work of the Ministry of Finance, as well as the State Planning Committee, the organs of the State Bank and the All-Union Bank for Financing Capital Investments, the State Committees for Labor or the Committee on Prices and other economic organs, mainly from the end results, particularly, for example, from the financial status of economic organs. But from this point of view, as we have already noted, far from everything is all right.

HENCE, THE ORGANIZATION AND, IN PARTICULAR, THE ECONOMIC WORK OF FINANCIAL AND BANKING ORGANS FOR THE PRESENT STILL DOES NOT COMPLETELY CONFORM TO THE DEMANDS BEING MADE. The Ministry of Finance, banking institutions and planning and statistical organs should investigate more specifically the financial and economic activity of the enterprises and organizations of the republic and should identify the specific causes of the low level of management.

TO ESTABLISH BY FACTORS THE CAUSES OF THE UNSATISFACTORY ACTIVITY AND DIFFICULT FINANCIAL STATUS OF THE ENTERPRISE, TO UNMASK THE NEGLIGENT MANAGER, TO DOT ALL "I'S"--THAT IS WHAT KIND OF ANALYSIS WE NEED TODAY. Only on the basis of such an analysis can our financial and banking institutions give practical assistance to party, soviet and economic organs, only such a style of work can increase their organizing role in the economy of the republic.

## II.

In the system of financial relations a most important place is being assigned to STATE FINANCES, which serve as the main centralized source of



socialist expanded reproduction, and the increase of the material well-being and cultural level of the population. Moreover, THE BUDGET SYSTEM, which completely conforms to the state system of our country, acts as the basis of state finances.

The USSR State Budget includes the union budget and the state budgets of the union republics. The latter, in turn, consist of the republic budget and the state budgets of the autonomous republics, the local budgets of the kray, oblast, city, rayon, settlement and rural soviets.

The budget of social insurance, which is drawn up by the AUCCTU, is also included in the USSR State Budget.

A specific amount of monetary resources, which are necessary for carrying out basic state functions, is concentrated in the State Budget. It is drawn up in complete conformity with the State Plan of Economic and Social Development and serve as its basic financial backing. The budget of our country is formed mainly by receipts from socialist enterprises and organizations, as well as, to a negligible extent, by means of taxes and duties, which are mobilized from the population.

We are explaining to you, comrades, things which may seem elementary to the economist or financial expert. However, we openly admit, some of those present today in this hall have a quite indirect and rough idea of all this. In recent years our aktiv has clarified and mastered well many economic and management categories, such as, for example, the volume and growth rate of production, labor productivity, product quality and so on. The comrades are acquainted much worse with the financial system, but a knowledge of its basic components is now becoming mandatory for everyone. Without this it is now impossible to carry out in a skillful manner economic management and party and state supervision of the most important economic and social processes.

We did not study these problems thoroughly and comprehensively until very recently. Meanwhile today every city and rayon party committee should study in earnest the questions of finance, especially the budget of the city and rayon and the rural soviets, and should know what financial resources the local financial organs have and how purposefully they are being used. We have been speaking alot about the increase of the independence of local soviets of people's deputies, especially in connection with the strengthening of the territorial aspects of management. But, if the local organs do not learn to use properly the financial levers at their disposal and, first of all, the local budget, all this will remain idle talk. V. I. Lenin wrote that cost accounting is not only independence and profitability, but also "the broadening of the independence and initiative of every large enterprise in the matter of disposing of financial assets and material resources."

A formal, superficial approach to these questions had the result that in the 1960's and 1970's THE GROWTH OF THE BUDGET IN THE REPUBLIC LAGGED

DRASTICALLY BEHIND THE GROWTH OF THE NATIONAL INCOME. By 1980 its proportion in the national income being used on the territory of the republic was less than half the similar average union indicator. These are the fruits of our dilettante approach.

For the purpose of eliminating this disproportion effective steps are now being taken on the finding of additional budget revenues, its rapid growth and the more purposeful use of internal economic resources, which has made it possible during the current five-year plan to achieve a leading growth of the state budget of the republic as compared with the average union growth.

Nevertheless the size and growth rate of the budget for the present cannot yet satisfy us. This is significantly binding our possibilities and is hindering initiative. Hence we are first of all proceeding, of course, from statewide interests. THE UNION BUDGET IS OUR MAIN CONCERN. The source of the stable, proportionate development of the national economy of all regions and all republics of our country is contained precisely in it. And the more healthy the financial and credit mechanism of our republic is, the greater its contribution to the unionwide property is. That is why our financial and planning organs NEED TO EXAMINE MORE THOROUGHLY AND COMPREHENSIVELY THE FORMED TRENDS, TO ELABORATE A SOUND CONCEPT OF THE INCREASE OF THE ROLE OF THE BUDGET IN THE ECONOMIC AND SOCIAL LIFE OF THE REPUBLIC AND TO FIRMLY IMPLEMENT IT IN PRACTICE.

At present the state budgets of the autonomous republics and the budgets of the oblast, city, rayon, rural and settlement soviets of people's deputies account for more than one-third of the amount of the Georgian State Budget. Moreover, in recent years the local budgets have been planned and fulfilled without subsidies from the republic. This is a good trend.

At the same time, as was noted at the 4th Georgian CP Central Committee Plenum, quite recently there were still quite a number of shortcomings and violations in the formation of local budgets. Frequently the expenditures with respect to some regions were reduced groundlessly, while with respect to others were increased. With allowance made for this, when forming the republic budget for 1982-1984 all the identified additional revenues in the amount of 86 million rubles were allocated entirely for the replenishment of the local budgets, and first of all of those regions, the growth rates of whose budgets lagged significantly behind the average republic growth rates.

It would seem that the local soviets of people's deputies and other local organs should be VITALLY INTERESTED IN THE FULFILLMENT AND EXCEEDING OF THE BUDGET AND THE REPLENISHMENT OF ITS REVENUE PART. For in case of the exceeding of the planned revenue or saving the entire difference is left at their disposal and can be spent at their discretion. Last year alone the local soviets spent in this way for the financing of additional measures 35 million rubles. Respectively 75 and 35 percent of the above-plan profit of local industry and consumer cooperatives are trans-

ferred to the budgets of rayons and cities. The assets, which were obtained from the exceeding of the plans of income taxes, the turnover tax and so on, are included entirely in them. Large reserves lie in the expansion of the commodity turnover and entertainment and other measures.

Nevertheless the local comrades rarely display initiative in this area. In any case, such suggestions are practically not being received from them by republic organs. On the onehand, this, apparently, is explained by the ignorance of many executives of the essence of the matter and the possible channels of the additional replenishment of the budget and, on the other, stems from a certain, in our opinion, IMPERFECTION OF PLANNING ITSELF.

Now the local budgets are being formed in reality by the Ministry of Finance. Local organs join in this process when the republic budget in practice has already been approved in union organs, and hardly anything lends itself to change. Meanwhile THIS WORK SHOULD BE STARTED PRECISELY WITH THE DRAWING UP OF LOCAL BUDGETS ON THE BASIS OF THE CONTROL DATA RELEASED BY THE MINISTRY OF FINANCE AND WITH THE CAREFUL STUDY OF THE SUGGESTIONS OF RAYON AND CITY SOVIETS, TAKING INTO CONSIDERATION IN GOOD TIME THEIR REQUESTS AND WISHES. The republic budget, which has been formed in this way, will conform much more completely to our common interests.

In our opinion, the drafting of long-range 5-year or 2-year financial plans and accordingly budgets could yield a significant economic and social impact.

THE BROADENING OF THE SOURCES OF THE REPLENISHMENT OF LOCAL BUDGETS should also be seriously considered. There are still many instructions and statutes of various kinds, which limit, regulate and bind local initiative. The need for the more complete combination of local territorial and sectorial interests and forms of management are not being taken fully into account when forming and using local budgets.

In Zavodskiy Rayon of Tbilisi the comrades achieved by the use of waste products the obtaining of additional output worth more than 500,000 rubles. But the profit from its sale in the amount of 52,000 rubles was transferred entirely to the state and republic budgets. Nothing was left to the rayon itself, although these assets were obtained exclusively owing to local initiative.

All this attests that WE ARE STILL INADEQUATELY INTERESTING THE RAYON AND CITY SOVIETS IN THE INCREASE OF THE PRODUCTION EFFICIENCY OF THE ENTERPRISES OF VARIOUS SECTORS, WHICH ARE LOCATED ON THEIR TERRITORY, AND IN THE DEVIATION OF AN ABOVE-PLAN PROFIT.

The local budgets at present are regulated mainly by taxes. For example, if in one rayon or another there are not enough of its own sources for the backing of the expenditures envisaged by the budget, a portion of the turnover tax, income taxes or profit withholding taxes can be left

to the local budget. But if there are also not enough of these receipts, a subsidy is specially allocated from the superior budget. In this case hardly anything depends on local organs. This process is passive.

It seems to us that with allowance made for the specific nature of the economy of one city or rayon or another and their economic possibilities IT IS NECESSARY TO USE MORE EXTENSIVELY ACTIVE LEVERS OF THE REGULATION OF THE BUDGET. Precisely such an approach is the essence of the Poti experiment of the territorial management of the city's economy.

As is known, for the purpose of increasing the role of the Executive Committee of the Poti City Soviet of People's Deputies in the management of economic and cultural development 10 percent of the planned and 50 percent of the above-plan net surplus of the profit of enterprises and economic organs of republic and union republic subordination are transferred to the city budget. Whereas from 1971 to 1980 the revenues of the city budget increased by approximately 3 million rubles, in the past 3 years they increased by more than 6 million rubles, or by 84 percent. The city soviet executive committee has been granted greater freedom for making good use of budget resources, which has made it possible to implement a number of significant measures on the expansion of the production of consumer goods, the construction of new production facilities and the settlement of vital social issues. The transfers to the union and republic budgets have increased even more rapidly.

However, even under the conditions of the Poti experiment not all of the problems of the improvement of budget relations have been solved. Enterprises of union subordination are still not involved in the formation of the revenue base of the local budget. Discrepancies with the material backing of additional budget resources are arising. The question of the interrelations and interconnections between the budget and the economic stimulation funds of enterprises and economic organs should be thought over.

A mechanism, which makes it possible to interest local soviets more in the deriving of revenues from the tightening up of financial discipline at enterprises and organizations, in the expansion of the commodity turnover, the sphere of services for a fee, the savings bank business, insurance and so on, is needed. These questions also directly influence the improvement of money circulation in the region.

The comrades in Gagra are proposing by means of the establishment of a cost accounting association for the service of people, who are vacationing without travel authorizations, to obtain the receipt of monetary assets in the amount of 6-7 million rubles. It is a good initiative, but it is necessary here to develop such a system, in case of which the local organs would be vitally interested in obtaining this money.

In our opinion, it would be advisable TO LEAVE ENTIRELY TO THE LOCAL SOVIETS THE REVENUES, WHICH ARE TO BE TRANSFERRED TO THE BUDGET AND



WERE DERIVED AS A RESULT OF THE INITIATIVE DISPLAYED BY THEM, THE SALE OF ADDITIONAL PRODUCTS, THE RENDERING OF ADDITIONAL SERVICES AND SO ON, AS WELL AS THE TAX ON THE ADDITIONAL TURNOVER. Moreover, the additional sources, which have been identified at enterprises and organizations as a result of the work, which was performed by local financial and credit organs, and which at times are of a one-time nature, should, apparently, be excluded from the base indicators of the planned revenues. WE MUST AGREE MORE BOLDLY TO EXPERIMENTS IN THIS SPHERE AS WELL AND MUST GO WITH THE CORRESPONDING SUGGESTIONS TO UNION ORGANS.

Another question is also arising: How are the additional assets to be used effectively? For, in developing local initiative, we are striving thereby to relieve central organs of some concerns. Therefore it is very important that, when getting their hands on new sources of the financing of sociocultural measures, our local organs, rayon agroindustrial and territorial intersectorial associations and administrations, for example, would seek additional resources of construction materials. This is a quite practicable task. Large reserves of lime and the conditions for the setting up of small brick and tile plants and the development of the production of cementless blocks and other materials exist in the republic. Moreover, experience and traditions on this level exist in several rayons. By having adopted them and having included more actively in the economic turnover the local budget assets, it is possible to create considerable stocks of construction materials for the meeting of their own needs, the expansion of individual housing construction and so on.

At the same time we need already now to increase sharply the level of the organizing work of LOCAL FINANCIAL AND BANKING ORGANS.

Unfortunately, many of them are still not devoting proper attention to the elaboration and implementation of sound suggestions on the increase of production, especially of consumer goods, the better use of production capacities, the increase of the profitability, the decrease and elimination of unprofitability, the improvement of the interrelations of enterprises and economic organizations with the budget and the improvement of accounting and reporting in economic organizations and budget-carried institutions.

The work of the Tskhinvali City Finance Department, for example, could not be worse organized. About what kind of economic and monitoring activity is it possible to speak, if here actually nonexistent institutions have been financed here for a long time?

Since March of last year nearly 170,000 rubles have been spent on the pay of the staff of Kindergarten No 10, while even at the end of the year it was not open. About 12,000 rubles were spent on the pay of the workers of the House of Culture, which has not been operating since 1976.

LOCAL FINANCIAL AND BANKING ORGANS SHOULD STRENGTHEN SUBSTANTIALLY THE ECONOMIC AND MONITORING FUNCTIONS, SHOULD ANALYZE THOROUGHLY THE FINANCIAL AND ECONOMIC ACTIVITY OF ENTERPRISES AND ORGANIZATIONS, SHOULD

ENSURE THE MOBILIZATION OF FINANCIAL RESOURCES FOR THE BUDGET AND SHOULD ELIMINATE ILLEGAL EXPENDITURES AND THE SQUANDERING AND THEFT OF SOCIALIST PROPERTY.

THE SKILLFUL USE OF VARIOUS FINANCIAL LEVERS is revealing many reserves. Take if only THE TURNOVER TAX, this basic channel of the payment of financial turnover tax with such categories as the price, the profit, profitability, cost accounting and the budget. It is possible to influence by the change of the turnover tax, for example, the amount of the profit of the enterprises and the level of profitability of production. However, for the present this important function of the turnover tax is still being used here inadequately, the changes of the production cost for reasons not depending on the enterprise are not being taken fully into account, which frequently leads to a sharp decrease of the profitability of an item.

There is no doubt that the amounts of the turnover tax on a number of goods should be revised. But for this it is necessary that enterprises, organizations, production associations, ministries and departments WOULD PREPARE AND SUBMIT TO FINANCIAL ORGANS THE CORRESPONDING CALCULATIONS OF THE PROFITABILITY AND OTHER MATERIALS. This is especially necessary with respect to several items of light industry of the republic, in which the need for the reduction of the retail price for several goods is making itself urgently felt.

Or why, for example, at a specific stage for the purpose of stimulating the production of the consumer goods, which are necessary for the market, not introduce as an experiment a regressive turnover tax or a regressive percentage of the deduction from the profit for the budget? While it would be possible to allocate the monetary resources, which have been left at the disposal of the enterprises, for the material stimulation of the workers. Why not think about this? It is possible to test such a procedure of deductions within the experiment which is being conducted on the basis of the Batumi Footwear Firm. In case of positive results it would also be possible to enlarge its scale.

The financial organs of the republic, especially the Ministry of Finance, should give the appropriate assistance to industrial enterprises in the accomplishment of all this work.

STATE PROPERTY AND PERSONAL INSURANCE is an important economic tool of the redistribution of the national income. The total amount of insurance payments in 1983 came in the republic to nearly 200 million dollars.

By mobilizing such vast monetary resources, the Main Administration of State Insurance, in turn, annually reimburses agricultural organizations and the population for a significant portion of the damage caused to their property by various kinds of natural disasters. Thus, in 1982-1983 kolkhozes and sovkhozes were reimbursed for damage in the amount of more than 150 million rubles, and in accordance with the insurance of vineyards

the payments came to more than 90 million rubles, in accordance with the insurance of animals--about 8 million rubles.

However, the state is also assigning certain monitoring functions to the organs of the Main Administration of State Insurance. The Main Administration of State Insurance is obliged to monitor the observance by the insured of fire safety, zootechnic, veterinary and agrotechnical regulations and the conditions of the care of insured property. For the present these functions are being carried out loosely.

The monitoring of the use of the monetary resources, which are being allocated for the implementation of various preventive measures, has been organized unsatisfactorily. During 1980-1983 agricultural organs received for the implementation of preventive measures more than 6.3 million rubles, but used only about half of this amount. The State Motor Vehicle Inspection Administration assimilated a little more than a third of the allocated assets.

The republic Main Administration of State Insurance itself should also step up the work. One must not approach it routinely. The recent decree of the USSR Council of Ministers on this question also directs attention to this. The USSR Main Administration of State Insurance and the republic Main Administration of State Insurance have taken a very useful step in this direction, having taken part in the financing of promising hail-protection measures. In particular, the comrades allocated 10 million rubles for the covering of vineyards. I believe that it is necessary to further encourage and develop in every way such an attitude toward the matter. This is really a state approach to the problem.

It is possible to use the assets of the Main Administration of State Insurance effectively for the financing of other measures, which will pay for themselves in a relatively short time, in 1-2 years. Of course, this is a controversial question, but it is possible, for example, to allocate them for the building of small-scale tea factories. It is necessary to increase the role of the Main Administration of State Insurance as the business partner of individual resourceful undertakings. Under our conditions both the insured and the state will gain from the additional profit, which has been derived in this way, and the increase by means of this of the insurance fund. Moreover, the opportunity is appearing to include a significant portion of the assets of the Main Administration of State Insurance more effectively in the active national economic turnover.

The republic Main Administration of State Insurance has many other reserves, particularly along the line of the further increase of the receipt of insurance payments and premiums from the population. It is necessary to develop advertising more extensively, to introduce more boldly the brigade form of the organization of the labor and the remuneration of insurance agents and so on.

Comrade I. N. Bartishvili, whom we assigned as chief of the republic Main Administration of State Insurance from the staff of the Central

Committee, is a conscientious, honest and energetic man. He set to work with desire and enthusiasm. However, he must be helped more actively both at the level of the Council of Ministers and the Economic Department of the Central Committee and at the level of the oblast, city and rayon city party committees, the primary party organizations and local soviet, trade union and Komsomol organs.

It would not be bad if the Main Administration of State Insurance with the participation of the republic Ministry of Finance WOULD DRAW UP A LONG-TERM PROGRAM OF THE DEVELOPMENT OF THE INSURANCE BUSINESS IN GEORGIA, HAVING SUBMITTED ITS SUGGESTION BY THE END OF THE YEAR TO THE CENTRAL COMMITTEE AND THE COUNCIL OF MINISTERS.

### III.

The distribution and redistribution of the gross national product and the national income are mediated by the movement of monetary stock--  
MONEY CIRCULATION.

With the economic and social development of the republic the earned income of the population is also increasing systematically. This is a natural and positive trend, which reflects the gradual increase of the level of the material well-being of the working people. At this same time IT IS NECESSARY TO MANAGE THESE PROCESSES ON A THOROUGHLY SCIENTIFIC BASIS.

First of all, it is important to achieve THE BALANCE OF THE INCOME AND EXPENDITURES OF THE POPULATION. Unfortunately, in recent times in the republic this most important national economic and social proportion has been violated more and more perceptibly, THE EXCESS OF THE MONETARY INCOME OF THE POPULATION OVER EXPENDITURES HAS BEEN INCREASING MORE AND MORE. The unrealized income, the amount of which in 3 years of the 11th Five-Year Plan came to 1.9 billion rubles, is increasing. When planning the actual income of the population is frequently understated artificially, which, in turn, leads to above-plan emission, that is, the above-plan placement of cash into circulation.

In order to understand all these processes, it is necessary to clarify the specific structure of the economy of the republic and the peculiarities of THE COMMODITY NATURE OF OUR AGRICULTURAL PRODUCTION.

Owing to unique natural and climatic conditions Georgia specializes in the production and processing of tea, citrus, grapes, fruits, tobacco and other products, which the country needs so much. At the same time the lion's share of them is sold outside the republic and cannot serve as commodity backing of the monetary income of our population. Nevertheless these peculiarities, as a rule, are not taken into account when determining the plan assignments on monetary income.

The very METHODOLOGY OF PLANNING is also imperfect. As is known, our citrus and tea growers, and at times grape and fruit growers and workers of



industry, transportation and other sectors of the national economy EXCEED THE PLAN ASSIGNMENTS BY SIGNIFICANT AMOUNTS. This process is encouraged by society, since it serves the goals of the increase of its material and spiritual wealth. Moreover, under the conditions of the limitation of material and technical resources and the decline of the growth rate of production in a number of sectors, PRECISELY THE ACCOMPLISHMENT OF HIGHER SOCIALIST OBLIGATIONS IS ENABLING THE REPUBLIC TO MAINTAIN THE BASIC ECONOMIC PROPORTIONS, WHICH WERE ENVISAGED FOR THE 11TH FIVE-YEAR PLAN.

Hence, the exceeding of the plan is not a chance, but a natural phenomenon, but it is necessary, of course, to pay for this. But precisely such an additional payment is not taken into account in any way and anywhere in the planning calculations.

Apparently, it is not necessary to show specially that all THESE PROCESSES SHOULD BE ENVISAGED IN ADVANCE.

How? Let our planners, financial experts, specialists of the national economy and scientists think about this. Perhaps, in the plan of economic and social development, the balance of the monetary income and expenditures of the population, the cash plan of the State Bank and the plans of the commodity turnover and services for a fee on the basis of the appropriate calculations TO ENVISAGE IN ADVANCE A RESERVE FOR THE BACKING OF THE ADDITIONAL INCOME OF THE POPULATION.

The substantial shortcomings in the planning and organization of the money circulation are also responsible for the fact that in the balance of the monetary income and expenditures of the population in recent years THE VOLUMES OF THE COMMODITY TURNOVER HAVE BEEN SYSTEMATICALLY UNDERSTATED. Thus, the volume of the planned retail commodity turnover to the monetary income of the population in 1983 came to 72.5 percent, but the actual ratio is even worse.

For the covering of the difference between the income, on the one hand, and the commodity turnover and services, on the other, so-called additional assignments on the commodity turnover are being established and the receipts of savings banks are being mechanically overstated. For 1983 the additional assignment came to 300 million rubles. As a rule, it has not been fulfilled in recent times, since there is no real commodity backing. For this reason the cash receipts of the State Bank are also disrupted and other undesirable trends arise.

Without giving appraisals as a whole to such a practice of planning, let us note that when determining the additional assignment of the commodity turnover the planners cite the existence in trade of significant amounts of above-standard surpluses of goods. But for their most part these are products, which do not conform to the demand of the population and which have been lying idle for years, and in essence there are no chances that they will ever be sold.

It is possible to justly criticize the low quality of a number of items and other shortcomings. But in recent times another significant reason for the formation of above-standard stocks of goods, which it is impossible to ignore, has come to light--this is THE SERIOUS MISTAKES IN PRICING.

PRICES SHOULD BE BASED ON THE SOCIALLY NECESSARY EXPENDITURES. This requirement concerns both retail and wholesale prices, and it follows from the fact of the existence of the law of value under the conditions of socialism. It must not be allowed that economic managers, while striving for the highest possible prices and rates for some items and types of services or others, would thereby create for themselves apparent prosperity and would not take into consideration here the general economic and, I would say, sociopolitical consequences of such short-sighted management.

Our STATE ORGANS OF PRICING would actively and strictly oppose this trend. However, unfortunately, they do not always completely perform this important political function of theirs.

And it is not necessary to cite the fact that the determination of the prices, including wholesale prices, for many goods is the prerogative of union organs of pricing. We know of instances, when on the basis of suggestions of the republic the union government has changed the prices for a number of items, which are produced and sold by enterprises of Georgia.

We refer this reproach, first of all, to the republic Council of Ministers, the Georgian SSR State Committee on Prices, the republic Ministry of Finance and State Planning Committee, which SHOULD EXPRESS MORE BOLDLY THEIR POINT OF VIEW ON THESE QUESTIONS.

Moreover, the wholesale and retail prices for many items are established licitly, by the Georgian SSR State Committee on Prices, and are approved by the republic Council of Ministers. But, as practical experience shows, the executives of enterprises, associations, ministries and departments submit plans of prices, which, as a rule, are significantly overstated. In 1983 alone the prices for 94 items were reduced by the State Committee on Prices.

There are also such instances, when the models, on the basis of which the prices were established, and the items, which were produced in a mass manner, are completely unlike each other. But this is already a kind of deception, which arouses the justifiable indignation of customers. The State Committee on Prices on the average in a year approves the prices for more than 200 items with the index "N". However, in case of their series production the technical and economic parameters frequently are grossly violated. Nevertheless, this year the previously approved prices for only five such items have been canceled.

The comrades in the State Committee on Prices and other monitoring organs frequently are obviously in much need of adherence to principles. It is necessary to give such facts not only an economic, but also a political appraisal and to pose to party organs the question of the responsibility of the corresponding executives.

We regard Comrade M. A. Megelishvili, chairman of the Georgian SSR State Committee on Prices, as an executive with much experience in party and economic activity. He is an energetic, well-informed worker and has introduced in the activity of the committee much that is useful. However, he, just as other specialists of the State Committee on Prices, needs to use much more actively the levers of pricing in the solution of ripe socioeconomic problems, to react more flexibly to changes of the conditions of the production and sale of products and to strive for the effective influence of the mechanism of prices on production and on the improvement of the basic parameters of economic activity.

The profitability of production should be ensured not by the increase of prices, but by means of the decrease of its costs, the decrease of the cost price, the introduction of advanced forms and methods of the organization of production, new equipment and technology and so on. The State Committee on Prices and all other organs, which are involved in the process of pricing, should adhere to precisely such a position.

Of course, much in the increase of the commodity turnover also depends on THE ORGANIZATION OF TRADE ITSELF. This sector is developing quite rapidly in the republic. During the current five-year plan an increase of the commodity turnover by 32.7 percent is envisaged.

At the same time the achieved rate is not ensuring for the present the achievement of the level envisaged by the five-year plan. The total amount of above-standard reserve commodity stocks has reached 260 million rubles.

We have already dwelled on several reasons for such an accumulation of goods. But there are also other ones, for which subjective factors, the inability to properly organize, arrange the matter, to make good use of commodity resources, to bar the way of low quality, unmarketable goods to the counter and others are the basis.

We know that the republic Ministry of Trade has a computer center with a large staff of workers. Why not charge it with the drawing up of all the necessary economic planning and forecasting calculations on the improvement of the movement of goods with allowance made for market conditions? It is necessary to approach this problem in a systems manner, with a scientific standpoint, and not to enagage in only the "knocking out" of very scarce goods, which is characteristic of the managers of some trade organizations.

It is necessary to use funds better and more completely for the reduction of the price of a number of goods. It is time to learn to trade so as

NOT TO WAIT FOR THE CUSTOMER, BUT TO MEET HIM OURSELVES HALF-WAY AND TO OFFER NEW TYPES OF TRADE SERVICE. Is it really that difficult during the period of the procurement of grapes, citrus and fruits, when significant reserves of cash are accumulating in the hands of the population of the corresponding rayons, to send here additional commodity resources, to hold trade fairs and to offer goods, which are hard to transport, directly at home? Our workers have quite good taste, and if a commodity meets their requirements, they purchase it regardless of whether or not it is scarce.

The executives of the Ministry of Trade, the Tsekavshir' [not further identified] and the Ministry of Consumer Services and other organizations should think seriously about this question together with the State Planning Committee, the Ministry of Finance and the banks.

TRADE IS ONE OF THE MAIN UNITS IN THE SYSTEM OF MONEY CIRCULATION.

The state of the balance of the income and expenditures of the population depends to a significant extent on its efficient, continuous operation. Therefore we have the right to demand of the executives of the Ministry of Trade, the Tsekavshir' and other ministries and departments a radical change in the matter of the trade service of the population.

THE CASH PLAN OF THE STATE BANK, which is approved quarterly by the republic government, acts as an important lever, which regulates the circulation of cash stocks and makes it possible to identify disproportions between the amount of money and the volumes of the commodity turnover and services for a fee.

In recent times we have seen to it that institutions of the bank began to notify promptly local management organs about the process of the fulfillment of the cash plan, not only to record individual shortcomings and omissions, but also to make suggestions. And the party committees and soviet executive committees themselves have begun to study this question much more actively. The Organizational Party Work Department and other departments of the Central Committee are working actively in this direction.

The management of the Georgian Office of the State Bank, which has a substantial influence on the forms and methods of work of local banking organs and is conducting interesting experiments, is doing much. Comrade V. A. Pateishvili, chief of the Georgian Office of the USSR State Bank, is a experienced economic and party executive, has mastered well the skills and methods of banking work and has gained well-deserved authority among colleagues and staff members. On his initiative, of course, with the support of the Board of the USSR State Bank and Comrade V. S. Alkhimov personally an economic experiment on the improvement of the credit and settlement interrelations of the bank with economic organizations has been started.

However, frequently the measures being implemented by the bank lack the proper substantiation and completeness, are of a local nature and do not



solve the problems as a whole. Our bank workers need to improve business contacts with the regional organs of management, to seek jointly effective sources of the acceleration of the money circulation and the more complete balancing of the monetary income and expenditures of the population and to strive for realistic cash planning.

REGIONAL BALANCES OF THE INCOME AND EXPENDITURES OF THE POPULATION so far are not being drawn up in the republic. Meanwhile the interests of the systematic distribution of commodity resources and the regulation of intrarepublic interregional proportions urgently require and in all obviousness demonstrate THE NECESSITY OF THEIR DRAWING UP WITH BOTH A REPUBLIC AND A REGIONAL BREAKDOWN. We were also convinced of this in the process of conducting banking experiments in Makharadzevskiy and Sagaredzhoyskiy rayons, as well as in the city of Poti. In our opinion, THE STATE PLANNING COMMITTEE AND LOCAL PLANNING COMMISSIONS SHOULD STEP UP SIGNIFICANTLY THE WORK IN THIS DIRECTION, HAVING LENT IT A GREAT SYSTEMS AND SYSTEMATIC NATURE.

We should also not overlook such an important channel of the receipt of cash at the cashier's offices of the State Bank as SAVINGS BANKS. In the development of their network, as well as in the amount of the average deposit the republic noticeably leads the average union indicator.

But in the quality of service, the introduction of new forms of it and the nature of the services being rendered we are noticeably inferior to many union republics. Take if only the payment of wages to workers and employees through savings banks. Its proportion in the republic comes to a little more than 3 percent, while in Belorussia, for example, it has been increased to 27 percent. Noncash transfers at the expense of deposits in our republic come to 15 percent with an average union indicator of 33 percent. Settlements of the population for goods costing more than 200 rubles by checks of savings banks are not being made. The letter of credit form of the services of depositors, which decreases the migration of cash from the republic and is very convenient for the population, has been poorly developed.

The questions of the development of the savings business should be at the center of attention of party, soviet and economic organs, especially as the savings banks themselves are today dually subordinate. However, the local soviets and their executive committees are devoting extremely little attention to them and are not concerned about the improvement of the working conditions of the workers.

It is necessary to reorganize in earnest the work of the republic Administrator of the State Workers' Savings Bank. There are still many violations, to which the case of the concealment of deposits, which was detected in Makharadzevskiy Rayon, also attests. Moreover, it is a question of hundreds of thousands of rubles. Instances of the appropriation of state assets in especially large amounts were also detected at the savings banks of Zugdidskiy and Sagaredzhoyskiy rayons.

price at our bazaars are diverting considerable assets, which do not enter the state cashier's offices, if it is possible to express it this way, at first hand. This is slowing significantly the turnover rate of money.

There are still many different violations, as a result of which significant sums of money, which come out of the state turnover, are being appropriated. At the beginning of this year during the one-time check of one of the motor transport columns the revenues per bus came to 45 rubles as against the 39 rubles, which are received on the average on ordinary days. On the average 18 rubles were paid as a fine for riding without a ticket, as against 68 kopecks. According to the most conservative estimates, on the average in a year more than 90,000 rubles fail to be paid to the state cashier's offices from just this transportation organization. Our transportation commission, which Comrade G. A. Anchabazde heads, should examine such questions more thoroughly.

It must be said that we came across a similar trend when we were making an inspection of the payment of receipts from filling stations in Tbilisi.

As the budget surveys made the republic Central Statistical Administration show, of the total expenditures made by the population during the past year on personal services--the repair of housing, the repair and making of furniture, the sewing of clothes and others--private individuals accounted among kolkhoz farmers for up to 78 percent, while among workers and employees more than 60 percent. But large sums of cash are being diverted from state circulation in this case as well.

Moreover, many personal service enterprises, instead of cutting the ground from under the feet of private craftsmen, made it a rule to accomplish the plans, by filling the wholesale orders of enterprises and organizations, which are paid for by noncash transaction. In 1983 their amount came to 19.5 million rubles and, hence, precisely such a sum of cash was not paid to the cashier's offices of the State Bank through the fault of the Ministry of Consumer Services.

Various offenses, which are connected with a utilitarian approach, thefts of state assets and other negative phenomena, strongly influence money circulation. For all this is paid for from your pocket and mine, for crooks and smart operators attempt to get rich at our expense, at the expense of the people. Therefore it is necessary to rigorously put an end to the easy-going attitude even with respect to such minor violations as speculation, the cheating of the customer in the counting of money and so on. Administrative and economic organs and control organizations should show great vigilance, by strictly defending state and public interests.

All these and several other phenomena, on the one hand, promote THE UNJUSTIFIED DIFFERENTIATION OF THE INCOME OF THE POPULATION and, on the

other, SLOW THE CIRCULATION OF MONEY, by hindering the broadening of the commodity turnover and the sphere of services. Thus, effective methods, which make it possible TO TRANSFER CASH AS MUCH AS POSSIBLE TO THE ORGANIZED TURNOVER, WHICH IS CONTROLLED BY THE STATE BANK, are necessary for the purpose of speeding up the turnover rate of the monetary stock. Remember the instructions of V. I. Lenin: "Organize accounting over production, organize accounting and control over consumption and do it so that we would not throw hundreds of millions of rubles from under the printing press and not one 100-ruble note, which has gotten into someone's hands improperly, would pass back by the state treasury."

It is possible to achieve this, for example, by expanding official trades and exacting thereby taxes for the state cashier's office. And, on the other hand, by expanding in every possible way the sphere of services for a fee, which are rendered to the population by state enterprises.

We have already spoken about the substantial receipts, which will become possible with the establishment in Gagra of a cost accounting association for the service of vacationers. There are also other examples of a creative approach to the development of tourism, which makes it possible at the same time to attract considerable cash of the population. In April 1984 the Kavkasioni Administration of Tourist Economic Complexes, an experimental organization, which concentrated in its hands construction, industrial production, the procurement of agricultural products, trade public dining and all types of tourist services, was set up in the system of the Tsekavshir'. At present the administration has 17 trade and public dining facilities with an annual turnover of about 8 million rubles, a tent village in Shatili, a hotel with 110 rooms and 2 aerial tow cableways in Gudauri. It is expected that by 1990 the revenues of the administration from all types of activity will come to 60-70 million rubles.

Our kolkhozes and sovkhoses are still exercising poorly the right granted to them to sell at kolkhoz markets up to 10 percent of the agricultural products which are counted toward state procurement. Thus, since the beginning of this year the turnover of fruit and vegetable fairs on Saturdays and Sundays amounted for Tbilisi to 4 million rubles. The population of the capital is receiving this form of trade in agricultural products with much approval. But it is possible to expand it significantly, having thereby sharply increased the receipt of money by state and kolkhoz cashier's offices, and not someone's personal pocket. In this respect the initiative of the Tbilisi City Party Committee, which undertook the establishment of order at the kolkhoz markets, also merits support. It is desirable that such work would be performed not occasionally, but constantly.

Favorable opportunities on this level are being afforded under the conditions of the unified management of the rayon agroindustrial complex. By elaborating counter food programs and increasing the sale of food products within the rayons, local organs are capable of achieving a definite

improvement of the channels of money circulation. Especially as foodstuffs, as a rule, do not lie a long time in the trade network.

Rayon agroindustrial associations have all the conditions for the development of subsidiary works and trades. Along the lines of the State Committee of Agricultural Production alone it is planned by 1990 to increase the production of consumer goods at them to 500 million rubles. But this, of course, is not the limit. We demand that WITH THE INCREASE OF THE INCOME OF THE RURAL POPULATION BY MEANS OF PROGRESSIVE FORMS OF THE REMUNERATION OF LABOR AND THE INCREASE OF THE EFFICIENCY OF THE USE OF PRIVATE PLOTS THE RAYON ORGANS WOULD BE MORE CONCERNED ABOUT THE USE OF THE RESERVES, WHICH ARE AVAILABLE WITHIN THE TERRITORIAL COMPLEXES THEMSELVES, FOR THE BACKING OF THESE MONETARY ASSETS.

It is also possible to say the same thing with respect to the urban territorial associations, which are now being formed in the republic. The experience of the Poti comrades convinces us that substantial levers of influencing the state of money circulation are at the disposal of such associations. As we have already noted, after studying the consumer demand of the population, the Poti association planned to organize the production of 98 descriptions of consumer goods which have been recognized as scarce. The production of 34 items has already been assimilated. This year another 12 are next in line.

A store of dual subordination, at which industrial and food products, which were put out by enterprises of the city and were produced at the subsidiary farms of the association, are sold, has been put into operation. The opportunities for individual housing construction have been increased. Much else is being done. It is necessary to adopt and use this experience more actively.

Incidentally, since we have touched upon individual housing construction, let us note that this is a substantial channel for the attraction of the monetary assets of the population. The fact that in recent years the share of state and cooperative organizations in housing construction has been increasing regularly, by no means justifies the absolute decrease of the amount of housing, which was built by workers, employees, kolkhoz farmers and the intelligentsia, especially with allowance made for the increase of monetary income. How many years now we have been asking the Council of Ministers, our trade organizations and the Ministry of Consumer Services to set up the sale to the population of construction materials and the rendering of the necessary services, but the scale of this work remains quite negligible. And here the domination of private craftsmen and speculators is being felt, but we have opposed practically nothing to them. It is necessary to develop cooperative housing construction more extensively.

We know that the Ministry of Consumer Affairs Services has interesting suggestions on the enlistment of specialists and experts in the repair of apartments, whom it is now frequently necessary to hire privately. I believe that Comrade V. A. Sobolev will tell about them.



At times the local party and soviet organs forget completely about such a channel of the receipt of the cash assets of the population as CULTURAL AND ENTERTAINMENT INSTITUTIONS. We have gotten so used to the fact that the majority of them are unprofitable, that in essence we do not think about them from the statement of the formation of the balance of the monetary income and expenditures of the working people. But meanwhile it is entirely in vain. Here, too, it is possible to achieve much with some commercial shrewdness and enterprise. Just the dissemination of the recently introduced soccer lottery at the Dinamo stadium has yielded substantial receipts of cash. They have established elementary order, have interested people and have already obtained this season an additional 600,000 rubles.

We are not at all for getting rich on spiritual and cultural values, but it is also impossible here to let all the processes take their own course. The state is investing vast assets in this sphere, and it is necessary that they would be used purposefully and efficiently, that the artistic level of our theaters would increase, highly artistic movies would be shot and shown and so on. To make a discontented expression, when the conversation touches on the financial status of cultural, entertainment and educational institutions, is, in the end, also hypocrisy. It is also necessary here to count scrupulously every state kopeck.

From this point of view we should in general determine better HOW TO INCREASE THE MATERIAL WELL-BEING UNDER THE CONDITIONS OF MATURE SOCIALISM. The socialist way of life implies the existence of interconnected QUANTITATIVE and QUALITATIVE aspects. Whereas the quantitative aspect of the way of life finds expression mainly in the level of satisfaction of specific, exclusively material needs, its qualitative aspect lies, first of all, in the conditions of the development of the individual, in his spiritual and cultural demands.

Of course, it is very important to provide a person with housing, water and municipal services. But with the gradual meeting of these demands, the increase of the wage and the growth of other material wealth the questions of THE MEETING OF THE SPIRITUAL NEEDS OF THE INDIVIDUAL are being raised more and more. In short, at the stage of mature socialism the increase of the demands of the population with respect to the qualitative aspect of life leads the increase of its quantitative demands. Because of this the needs for self-education, recreation, cultural entertainment and greater physical mobility are increasing. The increase of the general educational level and vocational training is becoming a vital necessity, the longing of citizens for real participation in the settlement of state and public matters and in production management is growing stronger.

Under these conditions along with the concept of material comfort the concept of spiritual comfort is being firmly established in general use. Socialist civilization presumes the great consciousness and culture of people, including the culture of everyday life and behavior, exemplary public order, a high quality of service and the use of free time, which

is of full value from a moral and esthetic point of view. The essence of human well-being now lies in this.

A cultured person goes to a restaurant not all in order to eat or drink, but in order to spend his free time better, to listen to music, to associate for a while with friends and in general to be in a social circle. In much the same way, for example, the sphere of public dining frees time for the better meeting of spiritual demands. In short, the economic and social indicators of the life of people today are closely interconnected and influence each other, and it is impossible not to take this into account. It is necessary to continue the search in this direction.

Here new forms of service can also serve the better meeting of the material and spiritual demands of the population. It is possible to regard as one of the conditions of the increase of the level of the material well-being of people, for example, the sale of goods on credit, when they become accessible to a much broader group of working people, which, in turn, promotes the increase of the commodity turnover. We were convinced of this, having started to sell on credit the Moskvich passenger car, carpets and several other goods, the sale of which had been greatly complicated.

The comrades have interesting suggestions in this respect. One of them concerns, for example, the development of CONSUMER CREDIT. It is a question of setting up as an experiment a consumer credit society, in the account of which its members accumulate their monetary savings. Moreover, higher interest is credited subject to the amount of the deposit and its time.

Interest-free credit will be issued to the population from these assets for the purchase of goods in the trade network or the consumption of specific services, for example, in the form of a pay book. Something like a public mutual assistance fund is the result. The comrades believe that such credit will make it possible to enlarge and speed up the commodity turnover by increasing the effective demand of a significant portion of the population and to cover the marketing costs. Much here, of course, requires specification, but as a whole, it seems, this suggestion merits thorough study. In developed countries consumer credit is becoming more and more widespread, encompassing even the simplest inexpensive goods.

We need a well-balanced plan of the development of services for a fee in the republic. There are spheres, at which we are not looking at all. Take communications, mail and telephone. Their development involves the obtaining of large revenues. But has anyone really looked, for example, at the installation of telephones from this point of view? And how many opportunities local health reports, at which people in reality have nowhere to spend earned money, have. It seems to me that our State Planning Committee should study all these questions more actively and draw up a long-term program

A few words about THE WAGE as a category which has a large influence on the state of money circulation. It is the basic form of distribution according to labor and the main source of the formation of the monetary income of the population.

"WHOEVER WORKS WITH TOTAL EXERTION," COMRADE K. U. CHERNENKO INDICATED, "SHOULD HAVE WITHOUT FAIL ADVANTAGES IN THE WAGE." In striving for the further improvement of the forms of the remuneration and material stimulation of labor, we should agree to the boldest experiments, while keeping in mind in all cases that leveling is alien to socialism, that the WAGE SHOULD BE ACTUALLY EARNED, WHILE THE INCREASE OF THE PRODUCTIVITY OF LABOR SHOULD ALWAYS LEAD THE INCREASE OF ITS REMUNERATION.

In general the attitude of our economists to this category is quite backward. They consider it all but inviolable. There is the concept of the maximum wage fund, for the exceeding of which they punish severely. Perhaps, someone will object, but this is so. Of course, the most strict control is needed here. But, on the other hand, if the exceeding of the wage fund turns into a large national economic impact, is this really a bad trend? If the increase of the wage is used for the benefit of the matter, apparently, the manager should not be limited in assets. This especially concerns the remuneration of the labor of scientists, in which we are frequently not able to stimulate the authors of highly efficient development, without having violated in so doing the regulations and instructions.

It is necessary to introduce more extensively THE BRIGADE METHOD OF THE ORGANIZATION AND REMUNERATION OF LABOR with the changeover of such brigades to complete cost accounting. The setting up of several cost accounting brigades at the Tbilisi Transportation Association made it possible to improve substantially both the economic and the financial indicators.

The brigades purchase from the enterprise fuel, lubricants, tires, spare parts and other operating materials, units and assemblies, keep on their staff and remunerate the labor of accountants and repairmen, accumulate assets for capital repair, as well as assets for the purchase of new vehicles and so on. As a result in a month the utilization ratio of the fleet increased by 5.5 percent, the number of completed turnovers increased by 12 percent, the continuous regularity of traffic was ensured in practice. But here is a very interesting regularity: with an increase of the wage fund by 18,800 rubles the increase of the cash revenues came to a twofold greater amount—nearly 40,000 rubles or 63.7 percent.

This once again confirms that it is impossible to establish complete order in transportation only by means of control organs, the militia and so on. The main thing is to manage correctly, to create the appropriate mechanism and to use economic levers skillfully.

The dependence of the increase of the remuneration of the labor of workers of the service spheres on the cash receipts merits, in our opinion, serious attention. By TAKING BOLD STEPS IN THESE AREAS, WE NOT ONLY INCREASE THE INFLUX OF CASH INTO THE STATE CASHIER'S OFFICES, BUT ALSO PREVENT MANY UNHEALTHY TRENDS, WHICH ARE CONNECTED WITH ITS PARTIAL APPROPRIATION. It is necessary to broaden such experimentation especially in trade and other sectors, taking each time as the basis the brigade method of the organization and remuneration of labor with the changeover of collectives to cost accounting. It is necessary to overcome a certain psychological barrier in the amounts of the remuneration of labor, making it dependent each time on the end result, on the basis of how profitable this is to the state,

The development of such initiatives promotes both the tightening up of financial discipline and the improvement of money circulation in our national economy.

I cannot but also say a few words about the useful work begun in the republic on the tightening up of STAFF DISCIPLINE and the decrease of management expenses. Thus, for example, owing to the new structure of management of the agroindustrial complex, the setting up on the basis of the ministries of agriculture, land reclamation and water resources, as well as the State Committee for the Supply of Production Equipment for Agriculture of a unified State Committee of Agriculture Production and the merging of similar services in the rayon unit it was possible to free about 20 percent of the management personnel. Moreover, all this did good to the matter. There are interesting opinions with respect to the improvement of the structure of construction organizations and the elimination here of unnecessary units. There are also other suggestions from ministries and departments.

However, not all comrades are aimed actively enough at the decrease of the cost of the management staff and the further rationalization of managerial labor, not everyone is creatively seeking reserves on this level. We need TO STRIVE BY ALL STEPS FOR THE INCREASE OF THE EFFICIENCY OF THE MANAGEMENT STAFF AND TO SEEK MEANS FOR INCREASING THE MATERIAL INTEREST OF WORKERS OF THE SPHERE OF MANAGEMENT IN THE ACHIEVEMENT OF HIGH END RESULTS, including in the area of the improvement of financial and economic activity.

V.

When touching in the report upon various aspects of financial relations and money circulation, not by chance did we address every time THE EXECUTIVES OF PARTY AND SOVIET ORGANS, give them assignments and require them to investigate one question or another. Strictly speaking, OUR ENTIRE CONVERSATION TODAY IS CALLED UPON TO PROMOTE THE SIGNIFICANT IMPROVEMENT OF THE STYLE OF THEIR ACTIVITY ON THE LEVEL OF THE MANAGEMENT OF FINANCIAL AND BANKING SUBDIVISIONS AND THE IMPROVEMENT OF THE ACTIVITY OF ENTERPRISES AND ECONOMIC ORGANIZATIONS.



For example the comrades in the Sagredzhoyskiy Rayon Party Committee and the Executive Committee of the Rayon Soviet of People's Deputies, who have become much more qualified to direct the activity of local financial and banking organs, investigated these questions quite thoroughly. And what of it? In recent times the economic and financial status of many enterprises and organizations has improved noticeably in the rayon. As a rule, the cash plan is being systematically fulfilled, the amount of emission of money is decreasing, settlement and payment discipline is being tightened up and the payments to the local budget are increasing.

Party and soviet workers have begun to regularly take an interest in the state of financial and credit services and are demanding of them a fundamental analysis and effective monitoring of the economic and financial activity of enterprises and organizations and the progress of the fulfillment of the plans of consumer goods production, the retail commodity turnover and services for a fee. In the local management organs all suggestions are examined in good time and thoroughly and decisions are made on them.

Unfortunately, such a style and such an approach are characteristic of far from all party and soviet organs, many of which in practice are not using the abundant possibilities of local financial and banking organs and are not forcing them to influence the improvement of financial and economic activity and the increase of production efficiency. As a result of this in places economic work locally has been totally neglected.

It is necessary to cite a large number of cases, when the examination and approval of individual important measures are being dragged out for a long time and the set deadlines are being grossly violated. Of what benefit could the measures on the assurances of the fulfillment of the cash plan for the first quarter of this year, which were approved by a decision of the Chokhataurskiy Rayon Soviet Executive Committee only on 12 March, be, while they completely reported them to their performers only at the end of the quarter? The result was natural--the nonfulfillment of the cash plan and the above-plan emission of money.

And there are many such cases. Some rayon committees and soviet executive committees are aiming local financial and credit organs with the insufficient demandingness and adherence to principles at the search for reserves of the improvement of money circulation, the establishment of state order and the tightening up of financial discipline. In a number of cases today they act themselves as its violators, allowing the illegitimate shifting of marketable commodity stocks for extramarket consumption, which affects especially strongly the meeting of the demand of the population and complicates the normal turnover of money. Some comrades explain such a stand of theirs by the urgent need for the implementation of some important measures. But, first, this is not always the case and, second, the realization of the increased monetary income of the population is precisely one of the most important economic and social problems.

Frequently local executives in connection with the increase of the income of the population shift the matter entirely onto republic organs and make the request for the additional allocation of goods from central funds, without using at all local reserves and local sources of meeting the unsatisfied demand of the population. They do not even think in this direction.

Precisely the lax supervision by rayon party committees and rayon soviet executive committees of banking and financial organs is one of the reasons that in Kazbegskiy, Mestiyskiy, Lentekhskiy, Khobskiy, Chkhorotskuskiy, Tsalendzhikhskiy, Aspindzskiy, as well as several other rayons the population does not have the opportunity to realize even half of its earned income. And at times some of even go entirely so far as curious things, for example, given the large unrealized monetary assets of the working people they pose the question of decreasing the plan of the commodity turnover. This attests to the failure to understand elementary truisms.

Without examining thoroughly the essence of the work of banking and financial organs and without aiming them at the solution of topical problems, some local party and soviet organs in fact are not using such important levers of efficient management as the strict observance of the economy of material, manpower and financial resources, the tightening up of cost accounting, finances, credit, settlements and other financial and economic categories.

In local planning, financial and credit organs and other economic services vast information on all the directions of the activity of enterprises and organizations is being accumulated, analytical materials on the state of the economic and social development of the region are being drawn up, the progress of the fulfillment of the national economic plans is being analyzed and so on. Nevertheless, this extensive, diverse and extremely meaningful information, which is capable of setting one to serious thinking, frequently remains without proper attention and use. Moreover, the instances, when party and soviet executives do not react at all in any way to the signals, which are received from these organs, and even themselves incite financial and banking workers to illegal operations, are frequent. The Organizational Party Work Department and the Economic Department of the Central Committee must seriously appraise each such case. For such actions undermine the authority of the rayon and city party committees as organs of political leadership.

The incomplete understanding of the role and importance of financial and credit institutions also lies in the fact that some party and soviet organs up to now have not been devoting proper attention to THE SELECTION, PLACEMENT AND TRAINING OF SKILLED STAFF OF ECONOMISTS AND FINANCIAL EXPERTS.

We often hear talk about the qualitative composition of personnel, their educational qualification, adherence to party principles and so on, but when we begin to appraise individual subdivisions, frequently all this proves to be only bare phrases.

Thus, in the Financial Department of the Khobskiy Rayon Soviet Executive Committee of the 17 workers none has a higher education. Of the 25 people, who work in the financial department of the Sukhumi City Soviet Executive Committee, only 2 workers are CPSU members. The situation is also the same in Tskhakayevskiy, Makharadzevskiy and Lagodekhskiy rayons and in the city of Tskhinvali. In Dushetskiy, Akhmetskiy, Tskhakayevskiy and several other rayons for a long time the staffs of nomenclatural and other workers of local financial organs have not been brought up to strength.

They are also dealing laxly with the improvement of the work of the accounting, economic planning and financial subdivisions of enterprises and economic organizations.

In the republic the problem of ACCOUNTING PERSONNEL is especially urgent. The image of the accountant in the eyes of society always personified perfect honesty, the maximum accuracy and, if you wish, even pedantry--in the best sense of this word. PRECISELY HE, THE ACCOUNTANT, IS THE INCORRUPTIBLE GUARD OF PUBLIC AND STATE INTERESTS. Accounting and reporting, constant concern about their improvement and the carrying out of effective preliminary and current monitoring, the search for means of achieving the best economic and social results with the least expenditures of material, manpower and financial resources--are the basic functions of the accountant and every worker of the economic services.

In recent years a number of measures, which are aimed at the improvement of the training, placement and education of economic, including accounting, personnel, have been implemented in the country and republic. In spite of this, there are still quite a number of major shortcomings.

Here we frequently criticize Comrade I. A. Kharatishvili for the fact that the comrades in the Ministry of Rural Construction do not like very much to keep count of rubles. And this is not surprising, if you consider that in the system of the ministry of the 768 record-keeping and accounting workers only 34 have a higher accounting education and 134 have a secondary specialized accounting education. Major violations precisely in accounting discipline are frequently detected in case of checks of the organizations subordinate to the ministry.

At present of all the accounting workers, and there are about 30,000 of them in our republic, only about 9 percent have a higher specialized education, while a little more than half have a secondary specialized education. Even in our State Planning Committee, the main economic headquarters of the republic, in the total number of workers economists make up only 32 percent.

It must not be permitted that people with a low ideological and political level, who lack elementary civic conscientiousness and decency, would get into accounting and other economic positions. The special attention and adherence to principles of local party organs are required

here. It seems to us that the positions of ALL CHIEF ACCOUNTANTS OF LARGE ECONOMIC SUBDIVISIONS SHOULD BE INCLUDED IN THE NOMENCLATURE OF THE RAYON AND CITY PARTY COMMITTEES. They should follow their training and further training and promote the increase of their authority.

The comrades know that, taking into account the difficult situation with staffs of accountants and scientists, we adopted a special decision on the change of the specialization of the Gori Pedagogical Institute for the purpose of their better training. Now they are arguing a lot about the name. The main thing is to ensure a high level of the educational and training process and to coordinate it closely with the national economic requirements.

It is necessary to strengthen the material and moral stimuli for the encouragement of the workers of accounting and economic services and TO INTEREST THEM BETTER IN THE END RESULTS OF ECONOMIC ACTIVITY. These are the central services of any enterprise and association, and their workers should always be at their best.

It is time to attract talented young people more to these specialties. In this connection good words come to mind with respect to the Georgian Komsomol Central Committee and the republic board of the Georgian Office of the State Bank, which for the second time now in the past 3 years conducted at a high level the rally of young workers of the banking system. Of course, the solemn presentation of diplomas to the graduates of the Economics Faculty of the university, which was held by the Ministry of Finance, the Ministry of Higher and Secondary Specialized Education, the reactor's office of Tbilisi State University, the Komsomol Central Committee and the State Committee for Television and Radio Broadcasting, will contribute to the increase of the authority of economists and financial experts.

At the same time the instruction of future specialists, the planning of their training and subsequently assignment to a job should be improved. Responsible tasks in this area face not only the Ministry of Higher and Secondary Specialized Education, but also the State Planning Committee, the Central Statistical Administration, the Ministry of Finance and the State Committee for Labor.

Let us seek advice: perhaps, we should organize the state final examinations at higher educational institutions so that the corresponding specialists of the national economy and, it is not ruled out even, representatives of the organs and organizations, to which the graduates are sent, would also take part in them.

And, finally, there is another perhaps, most important thing. No matter what it is a question of today in our active, its essence should be TO ENSURE A RADICAL CHANGE IN THE ECONOMIC THINKING OF MANAGERS OF ALL RANKS--PARTY, SOVIET, ECONOMIC AND TRADE UNION--AND ALL THE WORKING PEOPLE. It is necessary to see to it that from now on financial questions would be settled on the same level as production questions.



We should try to see to it that our party committees, primary party organizations, soviets of people's deputies and all our economic managers would constantly study the questions of financial and credit relations in general and, in particular, money circulation and cash receipts in the same way as they are studying today the questions of the fulfillment of the plans of the production of industrial and agricultural products, the assimilation of capital investments, trade or personal services.

First of all, it should be thought over well how to ORGANIZE better the practical accomplishment of the tasks which have been posed today at the meeting of the aktiv. A special working group under the supervision of Comrade N. A. Chitavana is studying the problems of the improvement of financial and economic activity at our republic level. It is necessary for a similar system to be put into effect locally as well.

We know how busy the chairmen of the executive committees of the city and rayon soviets of people's deputies are today, but all the same we believe that precisely they should head the corresponding working groups in the cities and rayons. While it would be proper to appoint executives of the local financial and banking organs as their deputies. It is necessary to include without fail one of the secretaries of the party committee and other responsible officials as members of the working group and TO CONSIDER MONTHLY AND SOLVE PRACTICALLY THE URGENT PROBLEMS.

We believe that the first secretary of the rayon or city party committee, not to mention the chairman of the soviet executive committee, should if only once a quarter go to the financial department, the departments of the banks and other similar organs and familiarize himself with the conditions of their work and with the available information. Many dark sides of economic practice, which should constantly be taken into account, are seen well from here.

The demandingness with respect to economic managers should also be increased. They also bear now the basic responsibility for the financial status of sectors and enterprises. However, it is necessary to make it a rule that every minister and executive of a department would each month personally inform the collegium on all these problems. In this spirit it is necessary to organize this work at enterprises and associations, rayon agroindustrial associations, kolkhozes and sovkhoses. Precisely the former people should be responsible here for all questions and for the timely elimination of shortcomings.

THE REPUBLIC COUNCIL OF MINISTERS should also reform to a significant extent the style of its activity in this area. We see how intensely the comrades are working and sense that the examination of the balances of ministries and departments is frequently of a formal nature and reduces mainly to how to cover the gap in working capital. The main problems are frequently left aside and are not analyzed thoroughly.

The Council of Ministers should attach special, I would say, STATE importance to the examination of the balance sheet reports of economic

organs, the cash plans and so on and should intensify significantly the attention to all these problems. First of all this concerns the working group headed by Comrade N. A. Chitavana, which at first set to work very actively. But now it sometimes seems to us that the enthusiasm of the comrades has begun to decline somewhat.

It is necessary to increase the role of the sessions of the local soviets. Once a year, as they are supposed to, they consider and approve the budget of the city or rayon. But it is also necessary to return to these questions later. It would not be bad if at each session, in addition to the basic questions, the appropriate information on the problems of the financial and economic activity of enterprises and associations, kolkhozes and sovkhoses, the formation of profits, the fulfillment of the cash plan, money circulation and so on would be heard. All these questions should become not in word, but in deed a subject of our special STATE concern.

It seems that the Organizational Party Work Department of the Central Committee should take an active part in the organization of such activity by means of territorial groups which have been formed under the inspectors. The economic and all sectorial departments of the Central Committee and the secretaries of the Central Committee must follow closely how this work is being performed in the sectors under their care, at enterprises, organizations, kolkhozes, sovkhoses and the corresponding regions.

The Propaganda and Agitation Department and other ideological departments should also determine better their place in this work, having aimed lecture propaganda and lessons in the system of economic education in the proper direction. WE SHOULD STUDY THE FUNDAMENTALS OF FINANCIAL WORK AND GO FARTHER INTO THE HEART OF THEM.

Each of us executives should become neither more nor less than A GOOD SPECIALIST IN THE AREA OF FINANCES, if we want to manage skillfully not in word, but in deed all economic processes on the scale of individual regions and the republic as a whole, if we are earnestly concerned about the preservation of a high rate of the socioeconomic advance of our republic and about the prosperity and good of our entire great homeland!

Comrade K. U. Chernenko reminded us of one simple truth: IN ORDER TO LIVE BETTER, IT IS NECESSARY TO WORK BETTER. But very many components determine the quality of our work. It is possible to work well by devoting attention to the comprehensive improvement of all the sections and all the directions of economic activity.

The further increase of the material well-being of the working people and the fulfillment of the intense plans and socialist obligations of the 11th Five-Year Plan now depend decisively on this.

## REGIONAL

### BEŁORUSSIAN CP PLENUM MEETS ON PARTY WORK WITH YOUTH

#### Information Report on Plenum

Minsk SOVETSKAYA BEŁORUSSIYA in Russian 22 Sep 84 p 1

[Text] The 20th plenum of the Belorussian Communist Party Central Committee was held on 21 September.

The issue "Tasks of the Republic's Party Organizations Stemming from the Decree of the CPSU Central Committee on 'Further Improving Party Guidance of the Komsomol and Increasing its Role in Communist Education of Youth' and statements of General Secretary of the CPSU Central Committee Comrade K.U. Chernenko on issues concerning party work with youth were examined."

First Secretary of the Central Committee of the Communist Party of Belorussia N.N. Slyunkov gave an address.

Taking part in discussing the address were: V.A. Minkulich--first secretary of Minsk Obkom of the Communist Party of Belorussia; Z.V. Bondarenko--party functionary of Khimvolokno Production Association imeni V.I. Lenin, Hero of Socialist Labor, preceptor of youth; L.G. Kletskov--first secretary of Grodno Obkom of the Communist Party of Belorussia; S.F. Akulich--brigade leader of Construction Administration No 206 of Minsk of Production Association of Industrial House Construction imeni 50-Letiye SSSR, Hero of Socialist Labor, preceptor of youth; Ye.Ye. Sokolov--first secretary of Brest Obkom of the Communist Party of Belorussia; A.V. Dabalyuk--member of Military Council--chief of Political Administration of Red Banner Belorussian Military Okrug; V.P. Shaplyko--second secretary of Gomel Obkom of the Communist Party of Belorussia; B.P. Tarasov--first secretary of Gorodokskiy Raykom of the Communist Party of Belorussia; N.N. Mazay--first secretary of Komsomol Central Committee of Belorussia; V.L. Verkhovets--chairman of the BSSR State Committee for Vocational and Technical Education; E.I. Chachkova--secretary of primary party organization of Svetlyy Put' Kolkhoz of Molodechnenskiy Rayon; N.I. Afanasyev--general director of Gomsel'mash Production Association; G.A. Ivanova--teacher at Secondary School No 33 in Minsk, USSR People's Teacher; V.K. Starovoytov--chairman of Rassvet Kolkhoz imeni K.P. Orlovskiy of Kirovskiy Rayon, Twice Hero of Socialist Labor; A.T. Korotkevich--rector of Minsk State Pedagogic Institute imeni A.M. Gorkiy.

Secretary of the CPSU Central Committee Ye.K. Ligachev made a speech at the plenum.

A decree was adopted on the discussed question.

The plenum approved the complex plan of organizational-political measures of the Central Committee of the Communist Party of Belorussia on fulfillment of the decree of the CPSU Central Committee "On Further Improving Party Guidance of the Komsomol and Increasing its Role in Communist Education of Youth."

The plenum examined an organizational question. In connection with transfer to other work V.F. Kebich was released from the position of chief of the Heavy Industry Department of the Central Committee of the Communist Party of Belorussia.

V.P. Sobolev, sector chief of the Party Organizational Work Department of the CPSU Central Committee also took part in the work of the plenum.

#### Slyunkov Plenum Speech

Minsk SOVETSKAYA BELORUSSIYA in Russian 22 Sep 84 pp 1-4

[Address by First Secretary of the Central Committee of the Communist Party of Belorussia: "Tasks of the Republic's Party Organization Stemming from the Decree of the CPSU Central Committee 'On Further Improving Party Guidance of the Komsomol and Increasing its Role in Communist Education of the Youth' and Statements of General Secretary of the CPSU Central Committee Comrade K.U. Chernenko on Questions of Party Work with Youth."]

[Excerpts] Comrades! At all stages of socialist construction, the Communist Party has continuously paid and continues to pay unflagging attention to work with youth, considering indoctrination of youth its most important strategic task.

Our party is rightfully proud of the work of the Leninist Komsomol, which personifies the best traits of the country's young generation. Soviet young men and women have inherited from older generations deep devotion to the ideals of communism, dedication to the cause of V.I. Lenin and selfless labor for the common good.

As an active aide and a reliable reserve of the CPSU, the Komsomol has fulfilled with honor throughout the course of its entire history the task of communist indoctrination of youth, mobilizing them toward creative labor and toward great patriotic deeds. It plays a tremendous role in the political and socio-economic life of the country. Today the Komsomol fights with determination in all sectors of economic and cultural construction for the implementation of the tasks set by the 26th Party Congress and the decisions of plenums of the CPSU Central Committee.

The honorable and crucial historical mission to carry on the relay race of communist construction with dignity, falls to the lot of each generation of Soviet people starting an independent life. We communists are responsible for



how our youth grow, how they are educated and with what ideological convictions, with what knowledge and moral potential they embark on the high road of serving the socialist Fatherland and the Soviet people.

At the present stage, the tasks the party and the people are solving have grown and become immeasurably more complex. An acute political and ideological struggle of two social systems is in progress. Due to the fault of imperialism, military danger to peace is growing. All this raises new problems in work with youth.

The issue of primary importance to us is the training of a youth that, as Comrade Ustinovich Chernenko emphasized, "would not tremble, would not bend under the load of the historical responsibility for the fate of the country, for the fate of socialism and peace."

The CPSU Central Committee requires of us to view the task of further improving the education of the upcoming generation as most important party, state and public work effort, and view this issue as a means of assuring the secure future of our country.

The Communist Party of Belorussia, guided by the directives of the CPSU Central Committee, constantly holds at the center of its attention the question of guidance of the Komsomol and work with the republic's youth. Six years ago a comprehensive plan was adopted at a plenum of the Central Committee of the Communist Party of Belorussia of communist indoctrination of young men and women. Issues concerning Komsomol's work have been repeatedly discussed at the Central Committee Buro. The Communist Party of Belorussia continuously relies on Komsomol organizations and on youth in the solution of socio-economic and ideological tasks and in carrying out all organizational and political measures.

Our youth everywhere make themselves known with good deeds. They work diligently, creatively, with an awareness of their labor, patriotic and Komsomol duty. They exert a perceptible influence on all spheres of public life. The fact that the republic is successfully meeting the targets of the five-year plan with respect to all basic indicators, is increasing the rate of output of industrial production, is fulfilling plans of capital construction and is increasing the volume of production and sale of meat, milk and other agricultural products to the state, constitutes a significant contribution of the million-and-a-half Komsomol army of Belorussia and all our young workers.

And this is natural. Thanks to the opportunities created by the party, today's youth from the point of view of the vocational level, literacy and detail and thoroughness of knowledge possess an immeasurably higher level of training than prior generations. At the present time, 90 percent of persons under the age of 30 employed in the republic's economy have a higher, an uncompleted higher, a specialized secondary education, or general education.

Our modern young contemporary has the good fortune to be born and grow up in a society that has attained the highest level of social progress and growth of well-being in the world. But this does not mean that the only thing they need to do is to enjoy the fruits of the labors of their predecessors. And it is

gratifying to realize that the vast majority of our young men and women live with the ardent desire to enrich with their own accomplishments the gains and traditions of the older generations.

However, it should be candidly stated that some people display a consumerist attitude toward socialism, a dependent frame of mind, absence of discipline and social passivity. Here we are dealing with direct costs in the indoctrination work of party and Komsomol organizations, school and family. This obliges us to readjust our work methods and increase the effectiveness of all aspects of the educative process with determination, [and accomplish this] first of all in the party guidance of the Komsomol.

The CPSU Central Committee provides us with clear-cut guidelines and in which direction to carry out a reorganization. It is necessary to approach all problems of work with youth topically. This applies first of all to the participation of young men and women in the realization of plans of economic and social-cultural construction, the formation of ideological and moral qualities and mastery by young people of modern knowledge and organization of their leisure time.

In party guidance of the Komsomol and in the work of the Komsomol itself, a most important practical task is that of more active inclusion of young people in that difficult many-dimensional effort which the party defines as improvement of socialism. And this requires that young people be entrusted more boldly with the solution of major questions in all sectors of management and in the spiritual sphere, combining trust in Komsomol organization with high party demands. It is necessary to base this on the fact that the most important school of training of the rising generation has been and continues to be the school of labor, the school of social and political activity.

At the present time, work is proceeding in the republic and in the whole country on the elaboration of plans of social and economic development for the 12th Five-Year Plan and for the period to the year 2000. We refer to the attainment of a radical breakthrough in intensification of production and in a sharp rise in the effectiveness of the national economy and bringing it to a qualitatively new position.

Today one-third of the persons employed in industry and construction and each sixth person in the agriculture of the republic consist of people of Komsomol age. It is necessary to help every young person determine his specific place and role in practical work relating to the realization of the party's economic strategy.

Party and Komsomol organizations and economic managers should direct the creative initiative and enthusiasm of the youth to the solution of the concrete tasks of scientific-technical progress, reequipment of existing enterprises, the creation and introduction of new, most progressive types of technology and equipment, improvement of the quality of planned and produced items and to the mastery of economic methods of management.

To this end, we should encourage in every possible way the involvement of young men and women in invention and innovation, and signing of agreements for

the cooperation of young production workers and scientists, and to expand and support the participation of youth in social, planning and design bureaus and in the work of Komsomol staffs, as well as positions involving new equipment, efficiency and quality.

It is necessary to develop creative thinking in young men and women from an early age, from the school desk. In the meantime, there are very few [specialized hobby/interest] clubs that could familiarize them with various forms of creative work in schools, vocational and technical schools, tekhnikums, higher educational institutions or at palaces of culture. For example, the extent of involvement of pupils in technical [interest] clubs amounts to no more than 10-15 percent.

The BSSR Ministry of Education, the State Committee for Vocational Education, the Ministry of Higher and Specialized Education and the Komsomol Central Committee must solve in the very immediate future an absolutely critical task: to create in every educational institution a network of various clubs while taking into account the preferences and interests of pupils and [university] students. As far as the operational organs, base enterprises and trade unions are concerned, they have a duty to see to it that specialists who love this work are sent to direct these clubs, and to allot the necessary materials and equipment.

Our Komsomol has to its credit many good projects for involving young men and women in the solution of key national-economic tasks. But far from all of them are sufficiently concrete. Frequently, Komsomol committees, while supporting this or that initiative and widely publicizing it, do not strengthen it with necessary organizational work. And party committees sometimes are satisfied with the purely external side of the displayed activity without helping to give it a specific content and a high level of result. For many Komsomol obkoms, gorkoms and raykoms, it has become a kind of style to publicize the erection of different kinds of facilities with shock Komsomol projects and then unfortunately subsequently to forget all about it.

We need to teach Komsomol members, to help them always to bring what they started to completion and to work for the greatest economic, social and educational value of each initiative. Today among them those are especially important which aim at the attainment of the task advanced by the party of above-plan growth of labor productivity and reduction of production cost, boosting return on investment, fulfillment of contractual obligations, the search for and realization of reserves of rational utilization of raw and other materials and energy and the struggle against mismanagement and waste.

The party's policy of further improvement of the economic mechanism allows plenty of room for the application of knowledge and energies of the young.

In the republic an economic experiment is being conducted on expanding the rights and increasing the responsibility of light and electrical equipment industry enterprises for the end results of their work. Enterprises of the food and meat-and-dairy industry, personal services, agricultural machine building and several other sectors are preparing for it. And it is necessary to do everything possible to see to it that the new principles of management



that are undergoing experimental verification find their way as quickly as possible into wide-scale practice.

The experiment by its very nature presupposes overcoming of inertia in economic thinking and a creative, innovative approach to problems.

There is no doubt that our young people will find the full application here of their desire for the new and advanced.

A very important constituent part of the party's economic strategy for the next 10-year period is the Food Program. Its purpose is well known--to provide a stable supply to the population of all kinds of food products and to improve the quality of the products and the structure of nutrition. The chief point in the approach toward achieving the Food Program is the policy of intensification of agricultural production and the struggle against product losses at all stages of their movement to the consumer.

In the solution of these problems determining significance is played by two factors--people and land, land and people equipped with modern means and methods of maintaining production.

A production and technical potential has been created in the republic's agriculture, which increases its yield with each year. Large-scale land improvements have been conducted. It was of decisive importance in raising fertility of the land. But the yield of agricultural crops on one of every three hectares of drained areas is so far still below the planned level. In the development of Polesye, and in carrying out improvement of land in other regions of the republic and in their utilization, we have placed and continue to place great hopes on the Komsomol and on the young labor generation.

The republic's party organization has set before itself the task to create a solid fodder base for animal husbandry, and which it is now solving, as well as the task to switch fodder production to an industrial basis. It is difficult to overestimate the role of young people in this very important work. To boost productivity of the land, to bring up each field, each hectare of drained land to the level of planned yield--this is what is required today of farms and of party and Komsomol organizations. And what is needed here is not simply a motto and not so much an appeal, as the creation of mechanized Komsomol links, cost-accounting brigades and organization of effective competition for the achievement of planned yield.

The republic's Komsomol, as we know, has designated animal husbandry as its first-priority front. It has assumed a very important obligation--to pour into this sector the most prepared young forces and to help bring it to the most advanced positions. And one must give credit where it is due, work in this sector is going one. With each year, an increasing number of young men and women are finding in animal husbandry their calling and a worthwhile place in life.

The sending of young people to farms on Komsomol assignments has become widespread. For example, the republic's Komsomol committees have reported that since the beginning of the five-year plan more than 17,000 young men and



women have been sent for work in animal husbandry. And the number of young animal husbandry workers increased this time by only a total of 1,500 persons. Last year, the number of Komsomol members on animal husbandry farms dropped in 23 rayons.

Many rayon Komsomol committees do not do sufficient daily painstaking work on keeping young people in rural areas. It should be remembered that the matter does not end with the issue of assignments for work in animal husbandry, but only begin. Of course, this problem is too much for just Komsomol organs alone. Its solution is an important concern of party and trade-union organizations and heads of farms.

Those who try to boost production without really working with cadres make a big mistake.

Complex mechanization in animal husbandry is proceeding at a slow pace. In the last three years, its level has grown only by 10 percent. The shortage of workers is felt precisely on animal-husbandry farms with predominantly manual labor, and it is specifically there that young people do not go.

Councils of agroindustrial associations, the BSSR Ministry of Agriculture, the Ministry of Fruit and Vegetable Industry and the State Committee for Selkhoztekhnika need to establish for each farm and rayon a program of modernization of animal-husbandry farms and introduction of industrial technology.

Komsomol participation in this matter can and must be of a more concrete character. Why not have each rayon Komsomol organization take 2-3 lagging animal-husbandry farms under its tutelage and quickly install order there. This would be a concretely palpable contribution to the development of animal husbandry.

Actually, young people in any sphere of life are meant to assume an increasing load of our common concerns and affairs.

Take the system of trade and personal services. Young people make up more than a third of the persons engaged in the sector. One fourth of the workers are Komsomol members. On the whole, each year about 25,000 graduates of VUZ's, tekhnikums and vocational-technical schools are added. And who else but young qualified cadres should, as they say, roll up their sleeves and undertake the radical improvement of the work of the entire sphere of services in accordance with the growing needs of the population. The duty of Komsomol members and youth is to help establish in it the prestige of real service for the good temper of the people.

In formation of the personality, a tremendous role belongs to school and the family where the foundation is created for a socially thought-out, practical attitude toward life, love of work, kindness, honesty, decency and creative activity of the individual. Responsibility for tasks assigned by the April Plenum of the Central Committee and the school reform is derived from this for everyone connected with the training and education of youth.

All young people undergo school training. The Komsomol biography begins with it for practically every young man and woman. This is why daily attention to it, as well as issues of thorough assimilation of knowledge by pupils acquisition of labor skills and concerns for improving the operation of school Komsomol organizations must be an important concern of party committees and of every communist.

As shown by practice, the really good results in training and education are obtained where prestige of knowledge is established, a responsible attitude toward study is inculcated and diligence is intelligently encouraged. Good results are, of course, also obtained where the collective of instructors acts in the solution of all problems hand in hand with the Komsomol and other social pupil entities.

We should more actively develop self-governing principles among school collectives, doing this with the able assistance of teachers. Unfortunately, at a number of educational institutions, sermonizing and an edifying tone tend to prevail in work with youth. Many of our teachers, particularly class supervisors, try to do everything for the children without their involvement due to lack of confidence in the children's initiative. But when trust in them [the children] is absent, without inculcating independence in judgments and actions in them, a responsible, mature citizen cannot be formed.

It is impossible to inculcate a person properly while shielding him from labor obligations. Today in many families, especially in urban families, children are practically entirely free of any domestic chores and concerns, as well as physical burdens. And where this is not properly compensated by well organized labor training in school, we run into big costs. It is generally known that it is impossible to temper the character of an individual while keeping him away from difficulties. Social responsibility will not take root if a person has not been trained to work from his childhood years.

Our duty in forming in pupils a responsible attitude to study is to develop and strengthen in them an interest in the acquisition of lasting labor and vocational skills. Today in the republic, 75-80 percent of senior-class pupils receive vocational training on the level of elementary production categories. In order to fully solve this problem, it is necessary to create additionally at enterprises, kolkhozes, sovkhoses and educational-production combines about 18,000 job slots. This will require a certain amount of time. But ispolkoms of soviets of people's deputies and party committees need even now to determine where and who will create these slots. The oblast ispolkom and the Minsk City Ispolkom must for the purpose of organizing labor training and productive labor of pupils assign base enterprises to all schools before the end of the present year.

It is necessary to improve in every way possible work on vocational orientation of school children and organically tie it in to real needs for cadres by sectors of the economy and specific cities and rayons. So far this has been provided far from everywhere. In 1983, of the 7,300 graduates of secondary schools provided with employment in agriculture, only about one half have been working in the tractor driver speciality they acquired through training, and still fewer work as machine-milking operators.

Party and Komsomol organizations of base enterprises and educational organs must establish and implement a system of measures that will attract a wide number of school graduates in all sectors of the economy.

We need to improve the work practice of educational institutions of all types, as well as the the organs that run them. They are called upon to train cadres of ideologically mature, highly qualified workers and specialists ready to work there where the Motherland needs them and able, as V.I. Lenin wrote, "to operate in the way that communism actually requires." On the whole, our higher and secondary specialized school and system of vocational and technical education is coping with this task. But there are costs, and large ones at that. Due to defects in training and educational work and the operation of party and Komsomol organizations, a certain portion of young people starts life without a clear notion of what is proper and necessary. Many young workers and specialists still do not arrive where they have been assigned. So far, few people at any educational institutions can say what has happened to its graduates or what their attitude is to work, their vocational and civic duty. Teachers, Komsomol and party personnel frequently do not see the actual young people behind the great mass of students and pupils.

In introducing students and pupils to the solution of socially significant problems, it is better to use for these purposes student scientific, construction, agricultural and pedagogical detachments. At each higher and secondary specialized educational institution, future specialists have to acquire concrete skills of management and habits of working with people.

Our successes in socialist construction are due to a significant degree to the ideological conviction of the Soviet people and their faith in the great ideals of Marxism-Leninism. For this reason a most important direction in party guidance of the Komsomol is the organization of purposeful educational work among youth.

The ideological work which the party and the Komsomol conduct is aimed at helping young people in the process of their study and labor activity to master revolutionary theory and to teach them to analyze from class positions the phenomena of real life and also to ably apply knowledge to practice.

Today more than 370,000 persons in the republic are involved in all forms of Komsomol political education. About half a million young men and women are studying within the system of party education, in schools of communist labor and people's universities. It is necessary to further improve the study of Marxism-Leninism and CPSU history and policy by all strata of young people and to involve more Komsomol members in the system of party training.

In the training of youth everything is important--participation of young people in the accomplishment of large-scale national-economic tasks as well as in the solution of common everyday ones, a considerate attitude to the memory of those who fell in the struggle for the victory of October and in defense of its gains and a heartfelt attitude toward our veterans. The crux of the matter lies not only in greeting a former frontline fighter or partisan on the occasion of a holiday or inviting him to a meeting with young people. I refer



to daily, living concern for these people. We, including the Komsomol committees, possess good experience in dealing with such work. It needs to be developed and expanded.

There are many interesting military and patriotic training styles and methods for training young people that can be adopted by the republic's party and Komsomol organizations and of preparing them for service in the Soviet Armed Forces. Their ranks are being renewed by persons possessing solid ideological conviction and a high level of general educational and physical training. Our men called up for service duty conscientiously carry out their difficult service as soldiers.

But today, when imperialism openly engages in saber rattling and pushes the world toward a thermonuclear catastrophe, the military-patriotic training of young people must be given a still more purposeful and concrete character. It is necessary to orient the Komsomol aktiv, physical-culture cadres and DOSAAF committees to expansion of mass work with youth, first of all preconscripts and to help each of them to really become prepared for labor and defense. It is necessary to inculcate more actively in young people a love for technical sports, especially those with military application.

It is important to strengthen in every possible way patronage ties between military units and labor and educational collectives. Commanders and political workers must meet more frequently with student youth and give them what is termed first-hand information on life in the Soviet Armed Forces and on their glorious traditions and everyday life filled with difficult military labor.

At the present time, effective organization of counterpropaganda work is of special importance. A most important component of the "crusade" against socialism announced by American imperialism is the "psychological war" unleashed by it in which special emphasis is placed on youth.

The bourgeois propaganda machine pours streams of lies and slander on the Soviet way of life.

Party and Komsomol committees and the mass media need to decisively rebuff the ideological diversions of the class enemy. It is necessary to conduct an offensive political exposure of imperialism in all channels. At the same time, propaganda on the historical advantages and achievements of socialism must be improved.

Relying on the experience of organizing counterpropaganda work existing in the country and the republic, we should increase its effectiveness, improve the forms and methods and enrich the line of argument. Our aim is to develop in youth an enduring immunity to bourgeois propagandist poison. Party and Komsomol organizations need to inculcate in young men and women a clear-cut class position with greater determination, and to develop in them political vigilance, an ardent love for the Motherland and hatred of its enemies as well as a constant readiness for achievement and defense of their socialist



Fatherland. These questions must occupy a central place in work relating to preparations for the 40th anniversary of the Victory of the Soviet people in the Great Patriotic War.

We have young people growing up with a firm materialist world view free of any prejudices and beliefs. But one must not close one's eyes to the fact that as a result of the expenditures in educational work a certain portion of the young people under the influence of religious parents, under the influence of antisoviet clerical propaganda fall into the net artfully placed by clericals. Priests are intensively carrying on individual work with people, especially with the youth. A large number of baptisms, marriages and other religious rites take place involving the participation of young men and women. But party and Komsomol organizations poorly takes these circumstances into consideration and frequently put up with the fact that occasional young men and women, including Komsomol members, participate in religious rites.

A first-priority task in atheistic education is to work for termination of the influx of young people to religious communities. And this demands first of all a higher level of individual work. It is important to involve young people who have come under the influence of religion in an active social life and collective forms of recreation. It is necessary to introduce Soviet, socialist rites into the practice and life of young people with greater determination. The solution of this question should be put on a state basis.

A most important party concern and the concern of the Komsomol and the mass information media is to inculcate in young men and women the desire to join the life of labor to the full capacity of their physical, intellectual and moral resources. Closely connected to this is the problem of the forming and elevation of material and spiritual requires and the inculcation in each person from early years of modesty and an unassuming nature as well as the dislike of any kinds of excesses in one's mode of life and harmful habits.

Komsomol organizations must conduct a decisive struggle against various antisocial manifestations where the rules of socialist communal life are ignored and labor discipline is not observed and where some people would like to take from society more and to give it less.

One cannot but help pay attention to the fact that recently the problem of dealing with violators of labor discipline and public order in some places is attempted to be solved not by means of improved educational and preventive work but by the employment of an extreme measure--firing them from collectives. A significant portion among them consists of young people. It is more than easy, as they say, to let a person run loose. But effective managers have to remember that he's being let loose in our, Soviet [land]. Heads of enterprises, party, trade-union and Komsomol organizations of labor collectives need to know how to "handle" each concrete individual, to do everything possible to put those who stray onto the way of truth and to return them to the line of real workers.

Not a single able-bodied person should remain out of socially useful labor. This is a constitutional requirement. Nonetheless, in a number of cities and rayons, we do not have clear-cut organized forms of work for the category of

people who have not worked for a long time, for "drifters." There is no record of them even at ispolkoms of local soviets, nor at administrative organs, nor at the BSSR State Committee for Labor. This question should be dealt with systematically and constantly by labor collectives, law-enforcement organs and public organizations, including the Komsomol. The first concrete steps in this direction are being taken in Novopolotsk. The work experience in the city was approved by the Central Committee of the Communist Party of Belorussia. It is necessary to see to its wide-scale dissemination.

The successful solution of the tasks which the Komsomol organization and all of the republic's young people face today primarily depends on significant improvement of party supervision of the Komsomol and the work style of the Komsomol itself. Recently much has been done to intensify party influence over all aspects of Komsomol life by the Minsk, Orsha and Brest city committees and Voronovskiy, Nesvizhskiy and Molodechnenskiy raykoms of the Communist Party of Belorussia. These, like certain other party committees, regularly examine with interest questions relating to the operation of Komsomol organizations at plenums and at the buro and help them to choose correctly basic directions and the most effective forms of work. Here they look after strengthening of the party nucleus in the Komsomol, seeing to it that communist and leader cadres are constantly there where young people work and have their recreation, helping them to solve problems bothering them.

Today, however, we cannot help but point out that many unsolved problems still exist in work with youth and in the operation of Komsomol organizations. We shall say outright that the effectiveness of the educational efforts of the republic's Komsomol have not been sufficiently high of late.

I think that the causes of this need to be sought first and foremost in the forms and methods of work of Komsomol organizations. Today they largely do not correspond either to the level of the tasks facing the Komsomol or to the growing material and spiritual needs of the youth.

The Brest and Vitebsk obkoms and many Komsomol gorkoms and raykoms are slow in reorganizing work. They frequently continue to operate in a stereotyped manner without taking into consideration changed conditions and new requirements. Formalism, excessive paper work and ostentatiousness have permeated the work of a number of Komsomol committees and organizations. Diversions in ostentatious campaigns, various reviews, movements and rallies make themselves felt. Unfortunately, even the republic's Komsomol Central Committee does not always show a good example. It is slow in changing the style of its work. Personnel of the Central Committee apparatus as before pass a significant part of their time in the offices and spend it on collecting information and compiling all kinds of references. Such an approach is also repeated in the work practice of certain oblast and many city and rayon Komsomol committees. As a result, Komsomol personnel and activists lack the time for constant direct contacts with the youth. That is, the main thing is lost sight of--concrete work with each concrete young individual.

Komsomol personnel need to spend maximal time at young collectives and to mix with the youth not from the podium, not just in mass measures, but also in everyday life, going into their concerns.

Of course, we have gathered together today not for the purpose of noting defects in the work of Komsomol organizations and making complaints in this connection. We need to first make demands on ourselves. We need to candidly acknowledge: that for which we criticize our Komsomol to a significant extent reflects weaknesses in their guidance on the part of party committees. Consequently, we are first obliged to improve the style and methods of the guidance of the Komsomol by party organizations. It is necessary to provide effective assistance to Komsomol organizations in the accomplishment of the tasks facing them and in the investigation and elimination of the causes of defects and, what is most important, in their institution.

Party organs frequently substitute selective trust toward Komsomol organizations with excessive regulation and surveillance. What is more they proceed to directly substitute them instead of teaching, helping and showing an example. This dampens creative initiative and independence of Komsomol members. The conclusion for us is as follows: it is necessary to work with the Komsomol, together with it but not instead of it. It is necessary to help, not substitute. It is necessary to eliminate another extreme--elementary inattention to the affairs and concerns of young people on the part of some of our cadres. In Mogilev Oblast, for example, 13 first secretaries of city and rayon party committees did not find time in the past three years to take part in the work of Komsomol plenums. Our ministers rarely appear in the youthful audience, and this is even true of some heads of enterprises and soviet and trade-union organs. References to being busy in the given case in no way can be justified.

A subject of special party concern is forming of Komsomol cadres. The republic's Komsomol organization has today a large detachment of workers possessing a good ideological-theoretical and organizational capability. Still in the selection and education of Komsomol cadres questions are to be found which need to be better solved. Komsomol members from among workers, kolkhoz farmers or young specialists who have received the schooling of labor collectives are not being frequently enough recommended for Komsomol work. The replacement rate of Komsomol cadres is unjustifiably large, especially at the base level. Each year almost half of the staff of secretaries of city and rayon Komsomol committees are changed. Occasionally inexperienced, passive, helpless people, without any taste or interest in this work, are found in the role of leaders of youth.

These lapses to a significant extent are to be explained by poor organization of work with the cadre reserve.

Communists make up the backbone of supervisors of Komsomol cadres. The work of communists in the Komsomol is an honorable and responsible party assignment. There should be put into practice from now on the policy of strengthening the party nucleus in the Komsomol and we should see to it that CPSU members working in Komsomol organizations bring to their work a high level of discipline and organization.

We place great hopes on the communists who now head 70 percent of the primary Komsomol organizations of production collectives. They are working there



where the fate of our plans and commitments is being decided, in the front line of the struggle for the successful completion of the five-year plan. Their party duty is to see to it that life in local units is filled with a big social content and that every Komsomol member shows an example of a conscientious attitude to labor and of irreproachable personal behavior. Party committees, raykoms, obkoms and the republic's Komsomol Central Committee need to help every primary organization to become really effective, the soul of the young collective and the center of its attraction.

Reports and elections are now proceeding in the Komsomol. It is necessary to make maximal use of this important campaign for the further organizational and political strengthening of each Komsomol organization. Special attention should be paid to questions of strengthening rural rayon Komsomol committees which have been saddled with major tasks of mobilizing youth for the fulfillment of the food program.

It is necessary that members of the Central Committee of the Communist Party of Belorussia, of all party committees and heads of soviet, trade-union and economic organs take part in the reporting and election meetings at Komsomol groups and primary organizations and in the work of conferences.

Increasing the role of the Komsomol in communist education of the youth is a task common to the whole party. It cannot be the prerogative solely of some workers in party committees. This is a matter for each communist regardless of what sector he might be working in.

Only through common efforts can we boost the effectiveness of party leadership of the Komsomol and provide it, as the CPSU Central Committee requires, with a planned and systematic character.

In the complex solution of the problems of training, education, labor, mode of life, recreation and protection of the health of young people, it is necessary to significantly increase the role of soviets of people's deputies. They have the obligation of regularly examining these questions at sessions and meetings of ispolkoms and at permanent committees for youth affairs. Executive and regulatory organs of the soviets should intensify control over the work of economic organs for holding cadres in production, for better use of young specialists in the national economy and timely job placement of graduates of general educational schools.

Trade-unions and economic organs are not sufficiently engaged in the development of the movement of Komsomol-youth collectives and do not provide them with the necessary assistance in the introduction of progressive forms of organization and remuneration of labor. In the republic only a little more than one third of such collectives work on using the unified order method.

We need to boost in every possible way the role of production brigades as collectives educators of young workers. Each person in a brigade, on an animal-husbandry farm or in a production sector is in the public eye. Here the personality of the worker is clearly displayed in all regards. Here big opportunities exist for concretely influencing the worker while taking into account his special features.



Hence the increased demands on the heads of primary labor collectives and local trade-union units for education of youth, especially those who have just joined production. Cadres of this element must be able organizers of labor and good educators.

This equally applies to the preceptors of youth. Their rich labor and life experience need to be fully used for the education of the young generation.

In a word, in the large and responsible sector of work, which for us is communist education of the youth, many important and urgent matters exist, many questions, requiring their solution by party, trade-union and Komsomol organizations, soviet and economic organs and all cadres.

Allow me to assure the Central Committee of our party, its Politburo and General Secretary of the CPSU Central Committee, Chairman of the Presidium of the USSR Supreme Soviet Comrade K.U. Chernenko that the the republic's party organization will do everything to raise still more the role and activity of the Komsomol and all young people of Belorussia in communist construction and to strengthen the education of young men and women in the spirit of wholehearted devotion to the cause of the party and the cause of communism.

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## REGIONAL

### SOCIAL PROBLEMS OF LATVIA'S AGING POPULATION VIEWED

Riga CINA in Latvian 7 Sep 84 p 2

[Article by Professor P. Zvidrins and Y. Neiksans: "Human Aging and Longevity"]

[Text] The predominance of the elderly within the sum total of the population is growing worldwide. Presently among our contemporaries there are almost a half a billion people whose age exceeds 60 years, that is, approximately one-tenth of the entire world population. In the economically-developed countries the real number of senior citizens is greater and in some countries (Sweden, Austria, the German Democratic Republic) it even exceeds 20 percent.

Although the USSR is not among the demographically-aging nations, the number of retirement-age individuals in our country is nevertheless rapidly growing. And the problems of senior citizens become more and more pressing. It is not by accident that more and more often we speak of gerontology--a branch of science that investigates the natural aging process in living beings, human as well--and geriatrics--the branch that studies the course, characteristics and treatment of illnesses of the aged. For this purpose, in 1959, the all-union institute of gerontology was formed in Kiev, and in 1963 the all-union scientific society of gerontologists and geriatrists was formed.

Among the Soviet republics, the highest level of demographic aging is in Latvia. At the root of this phenomenon is the decrease in the permanent birthrate. A certain significance is found also in the decrease of the deathrate, the growth of the midlifespan. With this in mind the noticeable increase in the number of newborns in recent years, and even the postwar record--exceeding 40,000 newborns, which was documented in the past year, cannot, in any significant way, alter the global tendency of population aging.

For some time now the causes and consequences of the aging of the population of our republic, the demographic processes of the aged population, and the individual aspects of longevity are being studied by P. Stucka's Latvian University specialists. Some scientific themes are also included in the all-union program "Lengthening of the lifespan."

Common aging places many problems upon society. State expenditures for social security are increased. Presently 22 percent of the entire republic's and approximately one-third of the adult population are pensioners, predominantly

because of age. The aging of the workforce population is also occurring. This negatively influences work effectiveness, because the greatest productivity is in the 30-45 year age bracket.

With the growth of the number of the elderly, the number of those people whose age exceeds 80 or 90 years, that is, the number of the truly aged, becomes ever greater. Within the timeframe from 1959, when the first postwar census was taken in Latvia, until 1979, when the last census occurred, the number of those who exceeded the age of 80 increased by 50 percent, while at the same time the total of the entire population grew only by 20 percent. A similar scenario develops when the dynamic of the numbers exceeded 90 years is analyzed.

The highest longevity indicators are, as a matter of tradition, fixed in Latgale and Vidzeme. In the eastern regions of our republic especially in the Daugapils region and city and in the Rezekne region and city, and in the Kraslava region, the highest male longevity was noted, especially the numbers of those exceeding age 90. In its turn Vidzeme significantly surpasses other zones in the predominance of women who reach the ages of 80-90 years.

Low indicators of longevity occur in our nation's capital. In order to research in more detail the structure of the elderly and the factors which promote longevity, a special questionnaire was prepared with the incentive of the authors of this article in which 450 citizens aged 70 and over were studied. An analogous investigation was organized by the instructors and students of Latvian University in 1973 also.

Among those questioned were not only those senior citizens living within families, but also the lodgers of several retirement homes ("Daugava," "Mezciems," "Komunar") in Riga. More than two-thirds of those questioned were women and elderly urbanites. The majority of those questioned were widowed (56 percent). Among women this indicator reached even two-thirds, dictated in large part by the greater lifespan of women and the fact that women normally enter matrimony at a younger age than men do.

As is known, stable family relations and the natural union of generations have a positive significance in the attainment of long life. Our obtained data testify to the stability of old people's marital bonds. Only a small part of those questioned (five percent) were divorcees, three-fourths were one-time marrieds.

The results of the study testify to the significant reduction of the number of children in families. If those questioned averaged four brothers or sisters, then in their own families, predominantly, there were two-three children.

The scientists of many countries have ascertained, that a vital condition for reaching an advanced age is active work. Two-thirds of those questioned were, in the course of their lives, predominantly engaged in physical labor, women more frequently so than men.

It must be noted that the results of both studies attest to the increase in physical activity among the elderly, which can be characterized in the increase

of the predominance of workers immediately after the attainment of retirement age and also in the ages of 70 and more years. Typically 33 percent of those questioned had not stopped working even 10 years after the attainment of retirement age.

The main cause for the cessation of salaried labor was the deterioration of health. That was mentioned by more than half of those questioned. Every third male and every fourth female indicated the wish to retire for this reason. Fifteen percent of the questioned women motivated the cessation of work with the desire to help in the care of grandchildren.

Since our nation's economy does feel some workforce shortage, the inclusion of retirement-age citizens into the economy has also an economic effect. One-third of the inhabitants who have reached retirement age are presently employed in our republic.

Estimates indicate that also in the future the number of old people will grow more rapidly than the total population, that is, population aging will continue. For this reason an even more active participation by aging citizens in production can be expected. That is why the age characteristics of working pensioners must be considered: their workday must be shorter than the usual, extra rest breaks during working hours must be organized, eliminated the need for overtime work.

Special attention must be devoted to preretirement age individuals. To lengthen their active labor period, it is recommended that, several years before the attainment of retirement age, regular medical examinations should be given, as well as other preparations. For this purpose in every larger concern there should be a list of those professions and trades which can be worked by preretirement and retirement age people without harm to their health.

The work continuance problem of able retirees has not only an economic but also a social aspect. Research indicates that the elderly who continue working better preserve their physical and mental capabilities.

One of the tasks of our research was to ascertain the state of health in the elderly, also how frequently they take advantage of medical assistance.

The predominance of those questioned judged the state of their health to be satisfactory, but approximately one-fourth--as poor. Those living in rest homes, more often than other elderly people, judged the state of their health to be poor.

Interesting, that men as a whole judged their health more positively than women. This similarity was also ascertained in the sixties on an all-union scale. The reason for this is the lower death rate of women in the younger and middle age groups, resulting in the older groups containing relatively more women with over-a-lifetime acquired illnesses.

It is generally known that in the healing process of people, the peculiarities characteristic to their age must be taken into account. In our opinion the



health care of the elderly can be best accomplished in the organizing of geriatric consulting rooms, where a different approach is considered in the treatment of the elderly, taking into account their psychology and the state of their functional systems. It must be conceded though, that the currently functioning geriatric consulting rooms in Riga (one of which was intended for country-dwellers and fashioned on the basis of P. Skradins' republic clinical hospital) are unable to completely satisfy all the needs of the elderly for medical assistance.

We would especially like to stress about the giving of medical assistance in rest homes. In all the rest homes included in the questionnaire first aid facilities were available to the elderly which could be utilized at any time. But the moment help from a specialist became imperative (oculist, stomatologist, etc.) rest home residents had to face a multitude of various difficulties. That is why work in this area must be perfected.

Each period of aging in a person's lifespan must have its balanced nutritional normatives. As the burden of years grows irreversible changes take place in the organism. This means that in nutrition as well scientifically based corrections must be made. Special attention must be given to the nutrition of the elderly. Retirement calls for a sudden break in a person's lifetime activity stereotype--social and physical activity decreases, income also diminishes.

But eating habits most often remain. We were interested to find out, what, in their nutrition, the elderly most preferred. Results show that the predominance--two-thirds of those questioned did not indicate any special dietary preference and consumed meat as well as milk products and garden produce. A small portion of those questioned used predominantly milk products in their nourishment, but even a smaller portion--garden produce and meat products.

It is well-known that alcohol has a destructive influence upon human health. Research data discloses that the predominance of those questioned have used alcoholic beverages but most often that was during festivities or other infrequent occasions. There is a great difference in the amount and frequency of alcohol use between men and women.

It must be noted, however, that a relatively large number of those questioned (41 percent) have not, on the whole, used alcoholic beverages during their lifetime and, with the growth of their burden of years, that is, in the time of the questioning, these even reached 70 percent.

The distinguished Russian scientist, physiologist I. Pavlov wrote, that "a person can live to age one hundred. We ourselves with our intemperance, our carelessness, our thoughtless behavior towards our bodies have turned this normal timespan into a much shorter one."

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